

# Congressional Record.

## PROCEEDINGS AND DEBATES OF THE SIXTY-FIFTH CONGRESS THIRD SESSION.

### SENATE.

WEDNESDAY, February 12, 1919.

(Legislative day of Tuesday, February 11, 1919.)

The Senate reassembled at 11 o'clock a. m., on the expiration of the recess.

The Vice President being absent the President pro tempore assumed the chair.

Mr. SIMMONS. Mr. President, I suggest the absence of a quorum.

The PRESIDENT pro tempore. The Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

Beckham	Johnson, S. Dak.	Robinson	Spencer
Chamberlain	Jones, N. Mex.	Saulsbury	Sterling
Colt	Lodge	Sheppard	Sutherland
Culberson	McNary	Sherman	Thomas
Dillingham	Myers	Simmons	Thompson
Hardwick	Norris	Smith, Ga.	Trammell
Johnson, Cal.	Penrose	Smoot	Warren

Mr. SUTHERLAND. I wish to state that my colleague, the senior Senator from West Virginia [Mr. GOFF], is absent on account of illness.

Mr. SHEPPARD. I desire to state that the Senator from North Carolina [Mr. OVERMAN], the Senator from Delaware [Mr. WOLCOTT], and the Senator from Minnesota [Mr. NELSON] are absent on official business.

Mr. SPENCER. I wish to announce that the Senator from Arizona [Mr. ASHURST], the Senator from Montana [Mr. WALSH], the Senator from Kansas [Mr. CURTIS], and the Senator from Idaho [Mr. NUGENT] are absent on official business in the Committee on Indian Affairs.

The PRESIDENT pro tempore. Twenty-eight Senators have answered to their names. A quorum is not present. The Secretary will call the roll of absent Senators.

The Secretary called the names of the absent Senators, and Mr. GORE, Mr. HENDERSON, Mr. LA FOLLETTE, Mr. MARTIN of Virginia, Mr. NEW, Mr. PAGE, Mr. RANSDALL, Mr. SHAFROTH, Mr. SMITH of South Carolina, Mr. SWANSON, Mr. TOWNSEND, and Mr. VARDAMAN answered to their names when called.

Mr. FLETCHER, Mr. McKELLAR, Mr. JONES of Washington, Mr. HITCHCOCK, Mr. FRELINGHUYSEN, Mr. GAY, Mr. CALDER, Mr. KENYON, Mr. GRONNA, Mr. KIRBY, Mr. WEEKS, Mr. MCLEAN, Mr. KELLOGG, Mr. BAIRD, Mr. CUMMINS, Mr. KENDRICK, Mr. BANKHEAD, Mr. POMERENE, and Mr. POLLOCK entered the Chamber and answered to their names.

Mr. MARTIN of Virginia. I wish to announce that the senior Senator from Maryland [Mr. SMITH] and the senior Senator from Mississippi [Mr. WILLIAMS] are detained by illness.

The PRESIDENT pro tempore. Fifty-nine Senators have answered to their names. There is a quorum present.

#### VICE PRESIDENT MARSHALL'S CREED OF AMERICANISM.

Mr. PITTMAN. Mr. President, on the 7th instant the National Press Club of Washington invited the Vice President to be their guest. On that occasion in delivering an address he presented a creed that expressed his opinions with regard to Americanism at the present time. It is so beautifully expressed and in such terse American language that I should like to have it read from the desk.

The PRESIDENT pro tempore. The Secretary will read as requested.

The Secretary read as follows:

"I believe that the American Republic as instituted by the fathers constitutes the finest system of government ever ordained among men and affords the machinery for the righting of grievances without resort to violence, tumult, and disorder."

"I believe that every inequality which exists in the social and economic condition of the American people is traceable to the successful demands of interested classes for class legislation,

and I believe, therefore, that practical equality can be obtained under our form of government by remedial legislation in the interest of the American people and not in the interest of any body thereof, large or small.

"I believe there is no justification in a government, where officials are elected and laws made by the people, for a minority to threaten bloodshed and anarchy unless the majority shall submit to the will of the minority.

"I believe that America belongs to American citizens, native and naturalized, who are willing to seek redress for their grievances in orderly and constitutional ways, and I believe that all others should be taught, peacefully if we can and forcibly if we must, that our country is not an international boarding house nor an anarchist café.

"I pledge myself to the support of these principles by my voice, my vote, and, if need be, by my fortunes and my life, and I promise my country to train my children in this most holy faith."

#### APPEAL OF RUSSIAN SOCIETIES.

Mr. LODGE. I ask unanimous consent to present an appeal from 39 Russian societies in the United States, and I ask that it be printed in the RECORD.

There being no objection, the appeal was ordered to be printed in the RECORD, as follows:

#### Russian Appeal.

Whereas, the supreme council of the peace conference in Paris has practically decided to enter into negotiations with the Bolshevik officials in Russia;

Whereas the supreme council has decided to meet the Bolshevik delegates as well as the delegates of the Russian loyal factions opposed to the Bolsheviks, on the Princes' Islands, on the 15th of February, 1919;

Whereas in the opinion of the loyal Russian organizations the Bolsheviks, in signing a separate peace with the central powers at Brest-Litovsk, have committed an act of high treason toward Russia as well as toward the allied cause in general;

Whereas, further, it has been proved that the Russian Soviet officials were on the pay roll of the Imperial German Government;

Whereas during the Bolshevik rule in Russia unspeakable terror has been going on and thousands and thousands of innocent men, women, and children have been murdered by the Bolsheviks without any trial, and taking into consideration that the Soviet terror was condemned by President Wilson on the 21st of September, 1918, in his address to all the neutral governments;

Whereas the Bolsheviks have abolished all the fundamental principles of liberty and civilization in Russia;

Whereas the Bolshevik rule has proved to be the greatest and most irreparable misfortune in Russia's history;

Whereas it is contrary to the national dignity of the peoples of Russia to meet the allied representatives somewhere in the backyard of Europe;

Whereas the very idea of a joint meeting at which representatives of Trotsky on the one hand and the loyal Russians on the other would meet constitutes an offense to loyal and honest Russia;

Resolved, To appeal to public opinion of the United States and the allied nations and to emphasize:

(a) That the loyal Russian organizations in the United States believe that the above decision of the supreme council at the peace conference in Paris is a fatal and historical error which might affect in a most harmful manner the civilization of the whole world;

(b) That the above decision of the allied governments is apt to strengthen the Bolshevik cause at the very moment when Trotsky's régime is on the verge of a complete collapse;

(c) That, notwithstanding the decision of the supreme council, the loyal Russian organizations feel their duty and will continue their fight against the Russian Bolshevik traitors; and

(d) Finally, that we are deeply convinced that the loyal Russian delegates should meet the allied representatives either in Paris or nowhere.

Executive Board of the General Committee of Russian National Defense (comprising 39 Russian organizations, societies, political groups, and professional unions, 5 Karpatho-Russian organizations and the consistory of the Greek Orthodox Church, with 250 branches in the United States and Canada); chairman, A. D. Semenovskiy; vice chairman, Lieut. Boris Brasol; members, Lieut. Commander P. E. Stogoff, Col. N. N. Koch, Rev. L. Tourkevich, Rev. P. Popoff, representatives of the Karpatho-Russians, Gataliak and Cherniak; secretaries, Capt. N. Vishnevsky, V. Shumsky. Voluntary Association of the Russian Army and Navy Officers in the United States; president, Col. I. Sidorkin. Union of Russian Engineers; president, Count S. Shullenberg; secretary, Engineer Osolin.

NEW YORK CITY, January 23, 1919.

## MESSAGE FROM THE HOUSE.

A message from the House of Representatives, by J. C. South, returned to the Senate, in compliance with its request, the bill (S. 3992) to investigate the claims of and to enroll certain persons, if entitled, with the Omaha Tribe of Indians.

The message also announced that the House agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 15140) making appropriations to supply deficiencies in appropriations for the fiscal year ending June 30, 1919, and prior fiscal years, and for other purposes.

The message further announced that the House disagrees to the amendments of the Senate to the bill (H. R. 13308) making appropriations for the service of the Post Office Department for the fiscal year ending June 30, 1920, and for other purposes, agrees to the conference asked for by the Senate on the disagreeing votes of the two Houses thereon, and had appointed Mr. MOON, Mr. BELL, Mr. ROUSE, Mr. STENERSON, and Mr. MADDEN managers at the conference on the part of the House.

The message also announced that the House had passed a bill (H. R. 15539) making appropriations for the naval service for the fiscal year ending June 30, 1920, and for other purposes, in which it requested the concurrence of the Senate.

## ENROLLED BILL SIGNED.

The message further announced that the Speaker of the House had signed the enrolled bill (H. R. 15219) making appropriations for the payment of invalid and other pensions of the United States for the fiscal year ending June 30, 1920, and for other purposes, and it was thereafter signed by the Vice President.

## PETITIONS AND MEMORIALS.

Mr. LODGE presented a petition of sundry citizens of Worcester, Mass., praying for the Government ownership of railroads, which was referred to the Committee on Interstate Commerce.

He also presented resolutions adopted by the Irish-American Catholic Societies of Lowell, Mass., favoring the independence of Ireland, which were referred to the Committee on Foreign Relations.

Mr. McLEAN presented a petition of the Lithuanian Independent Club, of Bristol, Conn., praying for the independence of Lithuania, which was referred to the Committee on Foreign Relations.

He also presented a petition of sundry citizens of Middletown, Conn., praying for a league of nations to enforce peace, which was referred to the Committee on Foreign Relations.

Mr. SMITH of Arizona presented a petition of the Arizona Good Roads Association, praying for the repair of the bridge across the Gila River, in Arizona, which was referred to the Committee on Indian Affairs.

Mr. TOWNSEND presented a petition of the United Automobile, Aircraft, and Vehicle Workers of America, praying for Government care of returned and discharged soldiers, which was referred to the Committee on Military Affairs.

He also presented a petition of the Parents Council of the Straight School, of Grand Rapids, Mich., praying for the establishment of a department of education, which was referred to the Committee on Education and Labor.

He also presented a petition of Local Union No. 378, International Molders' Union, of Bay City, Mich., praying for the passage of the so-called civil-service retirement bill, which was ordered to lie on the table.

He also presented a petition of Local Union, International Brotherhood of Boiler Makers and Iron-Ship Builders and Helpers of America, of River Rouge, Mich., and a petition of Local Lodge No. 788, Brotherhood of Railway Clerks, Freight Handlers and Station Employees, of St. Ignace, Mich., praying for the Government control of the railroads of the country, which were referred to the Committee on Interstate Commerce.

Mr. COLT. I present a resolution adopted by the General Assembly of Rhode Island, which I ask to have printed in the RECORD and referred to the Committee on Post Offices and Post Roads.

There being no objection, the resolution was referred to the Committee on Interstate Commerce and ordered to be printed in the RECORD, as follows:

[State of Rhode Island, etc., in general assembly. January session, A. D. 1919.]

Resolution protesting against the improper method of computing and the excessive charges on telephone calls to points outside local-service areas throughout the United States, which became effective on the 21st day of January, A. D. 1919.

Resolved, That the General Assembly of the State of Rhode Island does hereby enter its protest against that improper method of computing and the excessive charges on telephone toll calls to points outside local-service areas throughout the United States, which became effective on the 21st day of January, A. D. 1919; and be it further

Resolved, That a copy of this resolution be directed to the Postmaster General of the United States of America and a copy to each of the Representatives of the State of Rhode Island in Congress and the Senate of the United States.

STATE OF RHODE ISLAND,  
OFFICE OF THE SECRETARY OF STATE,  
Providence.

I hereby certify the foregoing to be a true copy of the original resolution approved by his excellency the governor February 6, 1919.

In testimony whereof I have hereunto set my hand and affixed the seal of the State of Rhode Island this 10th day of February, in the year 1919.

[SEAL.]

J. FRED PARKER,  
Secretary of State.

Mr. COLT presented a petition of sundry citizens of Pawtucket and Central Falls, in the State of Rhode Island, praying for Government control and operation of the railroads of the country, which was referred to the Committee on Interstate Commerce.

Mr. CALDER. I present a resolution of the legislature of New York requesting that copies of all draft lists be made and filed in the offices of the governors of the respective States. I ask that it be referred to the Committee on Military Affairs and printed in the RECORD.

There being no objection, the resolution was referred to the Committee on Military Affairs and ordered to be printed in the RECORD, as follows:

STATE OF NEW YORK, IN SENATE,  
Albany, January 27, 1919.

Whereas the records of the local draft boards in the State of New York, by direction of the Provost Marshal General, transmitted through the selective-service headquarters, are accessible only for the purpose of ascertaining information from the duplicate registration cards regarding the name, home address, date, and place of birth, parentage, nationality, citizenship, race, occupation, employer's name, and nearest relative, but are not accessible for the purpose of ascertaining the date of the registrant's induction into Federal service; and

Whereas the obtaining of the foregoing information is restricted to certain organizations which are "interested and assisting in the work of helping returned soldiers to find employment and of locating the relatives of deceased soldiers whose bodies are returned to this country"; and

Whereas from orders issued by the Provost Marshal General, transmitted to local boards to-day, it is evident that all records will be inaccessible shortly after February 15, 1919.

Resolved (if the assembly concur), That the Senators and Representatives in Congress from this State be and hereby are requested to obtain the authority of the Secretary of War to leave in the State of New York, under proper supervision, such records as will furnish information for the preparation of a list of its citizens who have been inducted into Federal service through the medium of the draft law, and who have been mustered into the service of the United States during the war between United States and the German Empire and its allies, containing not only the foregoing information but information which will disclose the date of induction into the Federal service and such other information as such records may contain and which will throw light on the camp to which entrained, the organization to which attached, the date of discharge, and to give to the properly authorized agent of the State the right and power to make such extracts and to use such information, and to make such records and information available for the use of soldiers' and sailors' welfare and welcoming home committees throughout the State; further

Resolved, That certified copies of this resolution be sent by the secretary of state to each of the United States Senators and Representatives in Congress from New York State.

By order of the senate.

ERNEST A. FAY, Clerk.

IN ASSEMBLY, January 30, 1919.

Concurred in without amendment.

By order of the assembly:

FRED W. HAMMOND, Clerk.

Indorsed. Filed January 30, 1919.

FRANCIS M. HUGO,  
Secretary of State.

STATE OF NEW YORK,

Office of the Secretary of State, ss:

I have compared the preceding copy of resolution relative to records of local draft boards with the original resolution on file in this office, and do hereby certify that the same is a correct transcript therefrom and of the whole thereof. Given under my hand and the seal of office of the secretary of state, at the city of Albany, this 30th day of January, A. D. 1919.

[SEAL.]

C. W. TAFT,  
Second Deputy Secretary of State.

Mr. CALDER presented a petition of the Merchants' Association of New York, praying for a discontinuance of the operation by the Government of railroads, telephones, and telegraphs, which was referred to the Committee on Interstate Commerce.

He also presented a petition of sundry ministers of the Reformed Church of America, praying for the independence of Armenia, which was referred to the Committee on Foreign Relations.

Mr. WARREN presented resolutions adopted by the Laramie County Farm Bureau of Wyoming, favoring the adoption by the Government and the United States Grain Corporation of a sliding scale for the purchase of wheat in the future, which were referred to the Committee on Agriculture and Forestry.

He also presented resolutions adopted by the Commercial Club, of Rock Springs, Wyo., favoring a continuance of Government control of the telephone, telegraph, and cable systems,



which were referred to the Committee on Post Offices and Post Roads.

He also presented resolutions adopted by Local Union No. 2055, United Mine Workers of America, of Acme, Wyo., favoring an extension of Government control of railroads for five years, which were referred to the Committee on Interstate Commerce.

He also presented resolutions adopted by Local Union No. 2055, United Mine Workers of America, of Acme, Wyo., praying for the passage of the so-called Sims-Kenyon bill relative to the control of the meat-packing industries of the country, which were referred to the Committee on Agriculture and Forestry.

Mr. WEEKS. I ask unanimous consent to have referred to the Committee on Foreign Relations and printed in the Record a resolution passed by the faculty of the Boston Institute of Technology.

There being no objection, the resolution was referred to the Committee on Foreign Relations and ordered to be printed in the Record, as follows:

FEBRUARY, 1919.

TO THE PRESIDENT AND CONGRESS OF THE UNITED STATES:

The undersigned members of the faculty of the Massachusetts Institute of Technology respectfully petition the President and Congress of the United States to support some plan of international organization for the maintenance of peace.

R. C. MacLaurin, C. A. Adams, Floyd Armstrong, Frank Aydelotte, Frederick H. Bailey, Dana P. Bartlett, Charles W. Berry, Robert Payne Bigelow, Arthur A. Blanchard, Harry C. Bradley, C. B. Breed, W. Felton Brown, Alfred E. Burton, Davis R. Dewey, Fred P. Emery, Wm. S. Franklin, Charles E. Fuller, H. W. Gardner, Nathan R. George, Jr., A. H. Gill, A. L. Goodrich, H. M. Goodwin, William T. Hall, Geo. B. Haven, Carle R. Hayward, H. W. Hayward, H. C. Hofman, H. P. Hollnagel, W. Hovgaard, W. A. Johnston, Erwin Kenison, Joseph Lipka, Charles E. Lock, D. A. MacInnes, A. L. Merrill, Edward F. Miller, C. L. E. Moore, F. J. Moore, C. L. Norton, Leonard M. Passano, C. H. Peabody, Henry G. Pearson, J. W. Phelan, H. B. Phillips, Arthur G. Robbins, A. T. Robinson, Geo. E. Russell, Erwin H. Schell, Henry Latimer Seaver, W. T. Sedgwick, Hervey W. Shimer, Elwood B. Spear, Charles M. Spofford, George W. Swett, Henry P. Talbot, C. H. Warren, Robert S. Williams, E. B. Wilson, A. G. Woodman, F. S. Woods.

#### REPORTS OF COMMITTEE ON MILITARY AFFAIRS.

Mr. FRELINGHUYSEN, from the Committee on Military Affairs, to which was referred the bill (S. 5019) for the construction of a memorial archway at Vicksburg, Miss., and for other purposes, reported it without amendments and submitted a report (No. 709) thereon.

Mr. NEW, from the Committee on Military Affairs, to which was referred the bill (S. 5334) to correct the military record of Jesse E. Smalley, reported it without amendment and submitted a report (No. 710) thereon.

#### BILLS INTRODUCED.

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. POMERENE:

A bill (S. 5579) providing for an increase of authorization for the Federal building at Steubenville, in the State of Ohio; to the Committee on Public Buildings and Grounds.

By Mr. SIMMONS:

A bill (S. 5580) granting the consent of Congress to the counties of Martin and Bertie, in the State of North Carolina, to construct a bridge across the Roanoke River at or near Williamston, N. C.; to the Committee on Commerce.

By Mr. KENYON:

A bill (S. 5581) to create a commission to investigate and report to Congress on the questions involved in plans of national housing systems; to the Committee on Education and Labor.

By Mr. KIRBY:

A bill (S. 5582) to amend sections 8 and 21 of the copyright act approved March 4, 1909; to the Committee on Patents.

By Mr. CURTIS:

A bill (S. 5583) donating captured cannon and cannon balls to the city of Abilene, Kans.;

A bill (S. 5584) donating captured cannon and cannon balls to the city of Marysville, Kans.;

A bill (S. 5585) donating captured cannon and cannon balls to the city of Waterville, Kans.;

A bill (S. 5586) donating captured cannon and cannon balls to the city of Fort Scott, Kans.;

A bill (S. 5587) donating captured cannon and cannon balls to the city of Bonner Springs, Kans.;

A bill (S. 5588) donating captured cannon and cannon balls to the city of Concordia, Kans.;

A bill (S. 5589) donating captured cannon and cannon balls to the city of Paola, Kans.;

A bill (S. 5590) donating captured cannon and cannon balls to the city of Oberlin, Kans.;

A bill (S. 5591) donating captured cannon and cannon balls to the city of Belleville, Kans.; and

A bill (S. 5592) donating captured cannon and cannon balls to the city of Peabody, Kans.; to the Committee on Military Affairs.

#### AMENDMENTS TO NAVAL APPROPRIATION BILL.

Mr. FLETCHER submitted an amendment proposing to appropriate \$500,000 for the development of a submarine base, intended to be proposed by him to the naval appropriation bill, which was referred to the Committee on Naval Affairs and ordered to be printed.

He also submitted an amendment proposing to appropriate \$2,000,000 for a water system, including the purchase of land and the necessary rights of way, intended to be proposed by him to the naval appropriation bill, which was referred to the Committee on Naval Affairs and ordered to be printed.

#### THE REVENUE—CONFERENCE REPORT.

The Senate resumed the consideration of the report of the committee of conference on the disagreeing votes of the two Houses upon the bill (H. R. 12863) to provide revenue, and for other purposes.

The PRESIDENT pro tempore. The question is on agreeing to the conference report.

Mr. SMOOT. Mr. President, I simply wish to say that I am aware that the Senator from Pennsylvania [Mr. PENROSE] desires to address the Senate on this report, and I myself intended to take some time in discussing the matter. I really did not want the conference report to be agreed to so hurriedly as was indicated yesterday. I ask the Senator from Pennsylvania if he wishes to go on now?

Mr. PENROSE. I have no set speech to inflict upon the Senate. I have a few remarks to make about the conference report. I can go on now or I will be satisfied to have the Senator from Utah go on for a while and then I can take the floor.

Mr. SMOOT. The Senator, I think, yesterday announced that he desired to address the Senate before I did, and I think he had better proceed now.

Mr. PENROSE. Mr. President, I set forth my views very fully when the revenue bill was pending before the Senate prior to its reference to the committee of conference, and I do not know that I have much of anything to add. I should like to call attention, however, to some of the particular features of the bill as it comes from the conference committee.

Before discussing details I want to express my regret and concern that this bill has been the vehicle for irrelevant legislation. If that practice is to continue, Mr. President, a revenue bill will become a menace and a danger while it is passing through this body. Certainly the power of taxation is not meant to be used as a method of regulating the manners and habits of a great Nation. It is bad enough to have a 100 per cent tax on brass knuckles, because some people do not think that brass knuckles ought to be encouraged.

It is bad enough to have a discriminatory tax, in the paragraph relating to firearms, of an additional 15 per cent on pistols, because perchance there are some people in the community who think pistols lead to disorder and aid murders and burglaries, notwithstanding the fact that a very great number of people, and among them experts in the study of crime, say the possession of a pistol by the householder is a protection to him and his property and decreases crime. All the manufacturers of firearms were incensed and upset because, apparently, there was an unjust discrimination against pistols. These, Mr. President, are minor features of the bill, but illustrate the tendency to correct manners and control the habits of the people by taxation, which, to my mind, is a most dangerous practice to get into.

These punitive or corrective taxes are almost smuggled into the measure. Public attention is not concentrated on them. I take it, that if a bill were brought out in the open to control the use and manufacture of pistols there would be a tremendous and a legitimate opposition in the United States to any such legislation. In the secrecy of a committee room, however, a discriminatory tax can be put on, of which the American people have no knowledge, without any public sentiment behind it, but simply to gratify a few mistaken theorists.

But to come to the larger phases of the abuse, Mr. President, the bill, as the Senate will recall, during the closing hours of the debate, became the vehicle for a number of matters of general legislation. An amendment placing a punitive tax on campaign contributions was offered. A legislative body, like an individual, occasionally gets in a wayward mood, and I think the Senate that afternoon would have adopted almost any amendment of a general character to this bill. Anyhow, this amendment, which I do not hesitate to say is a freak amendment, was adopted by the Senate.



Congress nearly every year has legislated on the subject of campaign expenditures. The present law is quite rigorous. Congress can legislate in the future upon the use of money in politics and concerning expenditures in campaigns. But, Mr. President, it certainly reaches the height of absurdity for us to be called upon to retain it in a revenue measure carrying crushing burdens upon the taxpayer, the largest tax bill in the history of civilization, so far as we have any record. It seems humiliating to me to be called upon to consider, even for a few weeks, an amendment of this character. Its absurdity was shown upon the first examination when it was discovered that its author had made it retroactive.

Immediately the alarm signal was sounded in the Democratic and Republican camps, and the chairmen of both national committees viewed with horror, and naturally so, the thought of having a tax of 100 per cent imposed as a retroactive measure upon campaign contributions, made by contributors properly and legitimately interested in the success of one or the other of the two great parties; contributions made according to law, and made solely to promote what the contributors deemed, from their point of view, to be policies for the best interests of the country.

When the absurdity of this retroactive feature was realized everyone dropped it. The suggestion was then made that it should apply only to the future. Its author argued that money is now spent under existing law to a very large extent without publicity or without compliance with the requirements of law. But how much more, Mr. President, would the law be evaded if, in addition to regulation and penalty, a prohibitive tax should be imposed? If money heretofore has been spent in too large amounts in secret and surreptitious ways, the condition would be tenfold worse with an additional tax of 100 per cent imposed. Anyhow, the attempt to put this general legislation in the revenue bill failed, with the active or tacit consent of all present and taking part in the proceedings.

I am ready, Mr. President, to vote in this body and to go as far, I believe, as any Senator toward regulating campaign expenditures, and to go nearly to the point of forbidding them entirely, for the older I grow, and the more I reflect upon political conditions, the more I am convinced that the electorate to-day, with the benefit of 30 or 40 years of common-school education, are intelligent; that no campaign can be won which does not rest upon an appeal to their intelligence and reason, and that the old-fashioned methods, which required money, very largely have disappeared; but, anyhow, I do not want to make this bill ridiculous—a bill which will be read in Paris and all over the world as the peak of American taxation, representing the sacrifices of the taxpayer for the war, and to meet the requirements of demobilization—by having it appear that American statesmen did not have the courage or the wisdom to eliminate a freak amendment from a bill of this colossal importance.

Then the measure was made the vehicle for the child-labor amendment. Mr. President, I am not going to argue the merits of the child-labor law. The Northern States very largely within the last few years have adopted very stringent child-labor laws. This amendment does not impose any further restrictions concerning the employment of child labor than now exist in Pennsylvania, in all the New England States, and, so far as I know, in most of the large manufacturing States of the North. The opposition to the Pomerene amendment came from the South, where labor legislation of this character has not progressed to the same extent.

In a very large mail concerning the revenue bill, I do not think I received a single letter from the North protesting against this amendment, but many were received by me from the South. The vote on the proposition on the floor of the Senate showed that the opposition in this body came very largely from Senators from Southern States.

I am willing to concede the merits of the amendment, but, Mr. President, I only want to call the attention of the Senate, by this particular instance, to the danger of making a revenue bill the vehicle for these purposes. Here is a law which the Supreme Court of the United States declared unconstitutional; which that court declared exceeded the powers of Congress, even under the fiction of interstate commerce legislation, which covers such a multitude of sins; yet we are practically embodying into law, by the power of punitive taxation, a matter which the Supreme Court has declared to be beyond the power of Congress to do. Still the amendment remains in the bill; unquestionably it will be retained by a very large vote in the Senate, and I am now only calling attention to the evils of this practice.

The so-called "bone-dry" amendment then was added to the bill. I shall not argue the merits of that amendment either, but a revenue measure ought not to be made an agency for bring-

ing about legislation affecting the police powers and the habits of the community. I call attention to these irrelevant amendments, Mr. President, in the hope that the practice will not be pursued, and to the fact that it may be necessary to amend the rules of the Senate so that amendments to revenue bills shall be confined to matters relating strictly and legitimately to the raising of revenue.

Other new legislation, which was added to the bill or modified in conference, may be referred to. While open to the same technical objection, yet there was some pertinence in its being considered. I refer to an amendment providing a bonus for officers and enlisted men in the military or naval forces of the United States. The Senate provided the bonus should be equivalent to one month's salary. The purpose is that the payment of the bonus shall be made immediately upon discharge, and to have provided one month's pay would have involved matters of calculation resulting in endless delay. So the conferees adopted an amendment providing a flat bonus of \$60, which, roughly speaking, is two months' pay for an enlisted man, and they made the bonus apply, as a measure of democracy, to officers and enlisted men alike. Careful provision was made to protect the payment of this bonus from the intrigues and wiles of the claim agent.

Mr. THOMAS. Mr. President—

Mr. PENROSE. I yield to the Senator.

Mr. THOMAS. I desire to ask the Senator whether, in the case of that amendment, the conference committee did not increase by 100 per cent the appropriation which was made by the Senate amendment?

Mr. PENROSE. Yes.

Mr. THOMAS. Can the Senator point me to any rule or precedent which justifies such action on the part of the committee of conference? My understanding is that they have power to reduce but never to exceed the amount provided for in an amendment or which is required to carry it into effect.

Mr. PENROSE. Mr. President, the conferees were most careful not to violate the rules of the Senate or of the House of Representatives in exceeding their powers as conferees. So careful were they to avoid even the appearance of transcending their powers that they held a special session after the bill had been completed and its consideration finished. They spent the greater part of a day examining a number of amendments, which some of the conferees were fearful might have crossed the border line. As a result important and most meritorious amendments, in two or three instances, were dropped from the bill because it was feared there might be just a little appearance of exceeding the limits of the conference.

Mr. SMOOT. Mr. President, will the Senator from Pennsylvania yield to me?

Mr. PENROSE. Yes.

Mr. SMOOT. I would not mention the fact if it were not for the RECORD, but I say to the Senator from Pennsylvania now that this amendment as proposed in conference is a violation of the rule of the Senate. I am not going to invoke the rule; I do not believe that any other Senator will do so; but I should dislike to have the RECORD show that the statement that the insertion of this amendment by the conferees was not a violation of the rule of the Senate had been made, and that no statement was made to the contrary.

The last amendment which was made to our rules, as the Senator from Pennsylvania well knows, virtually says that conferees shall not add to provisions agreed to either by the House or the Senate. That is the substance of the rule. This amendment provided that officers and enlisted men should receive at least \$60, increasing the amount from \$30 to \$60. The House not having acted upon the matter at all, the only question for the conferees was as between \$30 and no compensation whatever.

However, I simply rose at this time, so that the RECORD may show that there was a difference of opinion in this matter, but not for the purpose of invoking the point of order against this item.

Mr. PENROSE. Mr. President, I think the Senator from Utah is entitled to look at the amendment from his angle. On the surface it is open to some doubt; but the conferees thought, upon a further examination, that the fact that the bonus had been changed from a month's pay to a flat amount, with an equal sum to officers and men, so modified the entire proposition that it could be adopted fairly by the conferees, bearing in mind the very great difficulties encountered in a conference dealing with a bill of the encyclopedic character of a revenue measure; and, above all, it was thought that the patriotic purpose to be served by providing the bonus immediately would be an argument that would overcome any shadow of doubt which might exist in the House or Senate as to the propriety of this amendment to the measure.

Mr. SMOOT. I think that the last statement made by the Senator is the only possible reason that could be given for the



item being in the bill. His first statement was a complete reason why it has violated the rules of the Senate.

Mr. PENROSE. Well, we will not argue it.

Mr. SIMMONS. Mr. President, let me suggest to the Senator from Pennsylvania that, while the original amendment was confined to the payment of one month's salary, it included both officers and enlisted men. The salary of an officer for one month is very much greater than the pay of an enlisted man for one month; and in ascertaining the amount required by the Senate amendment, which the conference report further amended, we had to take into consideration the allowance the officers would receive as well as the allowance which the enlisted men would receive.

Mr. THOMAS. Will the Senator inform the Senate what the proportion of officers and enlisted men is?

Mr. SIMMONS. Of course, the number of enlisted men is very much greater, but the salaries of the officers are several times greater than those of the enlisted men.

Mr. THOMAS. I understand that; but does not the Senator know that the effect of this amendment, as amended by the conference committee, is to increase the amount of the appropriation necessary to carry it out by over a hundred million dollars?

Mr. SIMMONS. It would increase it somewhat, but not very materially, I think.

Mr. SMOOT. By over a hundred million dollars.

Mr. SIMMONS. I think the Senator's estimate is entirely too great; I do not think it would increase it that much. The pay of the enlisted men is not the same in all cases; it is one amount in this country and another amount when services are rendered abroad; it is \$30 for service at home and \$36 for service abroad. The salaries of some officers are very high; and if an average were made, I think, while it would probably be not quite as much as \$60, it would be very near that amount. I suggest to the Senator that this is not a case where the House had fixed a rate.

Mr. PENROSE. No.

Mr. SIMMONS. The Senate alone had fixed a rate. It was a case where the Senate alone had acted. This is an amendment to a Senate amendment; and I think, so long as an amendment is reasonably germane, the conferees have very large latitude in redrafting it as to rates and as to the substance of the provision.

Mr. SMOOT. Mr. President, I wish, in that connection, if the Senator from Pennsylvania will allow me—

Mr. PENROSE. Yes.

Mr. SIMMONS. If the Senator will pardon me one word further, I am not going to say that the amendment is not in some respects of doubtful power, but the committee fully considered that question, and they resolved the doubt in favor of their power.

Mr. SMOOT. I am not objecting to that at all, Mr. President, as the Senator knows. The old contention, under the rules of the Senate before the rules were amended, was that when the Senate struck out all of a House bill and inserted a new provision, the whole subject matter was open and any amendment could be agreed to in conference. The result of that was that the most vital legislation was enacted by conference committees, and not by the House and by the Senate. It was for that reason that the rules were amended.

Mr. PENROSE. I remind the Senator that the great abuse was in connection with the military bill, and was due largely to the action of the House conferees.

Mr. SMOOT. It was not only in connection with the bill to which the Senator refers, but there was hardly a bill that passed Congress that was not absolutely changed when it came back after having been acted upon by the conferees.

Mr. NORRIS. Tariff bills, for instance.

Mr. SMOOT. Yes; some of the most vital questions coming before Congress. Then the Senate was in this position: It either had to accept legislation by the conferees or it had to defeat the whole subject matter, and sometimes the subject matter was so vital and the necessity for passing it immediately was so great that both the Senate and the House had to yield to the action of the conferees.

I am glad the Senator from Pennsylvania made the statement he did, that the change in this provision was based alone upon the ground of patriotism and a desire to do a just act to the soldier. That is the only reason that can be given in justification of the change that has been made.

Mr. THOMAS. Then, Mr. President, if I may interrupt the Senator, the proposition is that the Senate rules prevail where patriotism does not conflict with them. My criticism of the whole situation is that the amendment to tax campaign contributions, which I presented and which was adopted by the Senate, was one from which the Senate committee could not under any

circumstances depart a jot or tittle; but with regard to the other amendment the rules were of no consequence, notwithstanding the fact that the amount of the appropriation was increased by over a hundred million dollars. That is another instance of straining at a gnat and swallowing a camel.

Mr. SMOOT. My object in bringing this matter to the attention of the Senate was in order that hereafter when a conference report is made upon some bill, when Congress has ample time to discuss it, say, months before final adjournment will take place, this may not be pointed to as a precedent. I am perfectly willing to take my responsibility in saying that I do not make a point of order against this provision because of the fact that it does take care of our soldiers more as they should be taken care of than the provision which originally appeared in the bill. With that statement I am perfectly content that it shall remain in the bill.

Mr. PENROSE. Mr. President, I do not think it amiss at all for the Senator from Utah to call attention to the importance of enforcing the rules concerning matters in controversy between the two Houses. It has been the subject of very great abuse within the last four or five years, to an extent unknown before that time in the history of Congress, and we can not be too careful about it. I think, however, if there is one piece of legislation where liberality in the construction of the rules regulating a conference might apply, it is to a revenue bill of this character, so filled with complications and details.

But, to proceed.

A great outcry was raised in the country, Mr. President, as soon as the provisions of the bill became known after its passage through the Senate, against the so-called King amendment requiring detailed reports of all war contracts. In my opinion, this amendment was adopted by the Senate without due consideration. It will be recalled that it was not even read to the Senate. The preparation of copies of these contracts, it was discovered, would impose an expense of thousands of dollars, and in some cases perhaps more, upon great business concerns. The ramifications of contracts and subcontracts were such as to make it almost physically impossible, and it was not apparent that any really good purpose would be served by this provision. Consequently, the conferees amended the King amendment by providing that this information could be obtained by the Commissioner of Internal Revenue, if he desired it in any individual case, and also provided a penalty of fine and imprisonment upon any taxpayer who declined to furnish the information.

I think, Mr. President, attention ought to be called to several important amendments affecting the income and the profits taxes.

Mr. THOMAS. Mr. President, I do not want to interrupt the Senator, but if he will permit me to ask a question at this point, as he is about to take up another amendment, I will not interrupt again.

Mr. PENROSE. I shall be very glad to yield to the Senator.

Mr. THOMAS. I have been told that just before I came into the Chamber the Senator, in discussing the campaign-contributions amendment, stated that it was opposed not only by the chairman of the Republican National Committee, but by the chairman of the Democratic National Committee. Am I correct in that?

Mr. PENROSE. I think I said something to that effect. In fact, I did not find a Democrat or a Republican who at heart was for the amendment.

Mr. THOMAS. That may be; but my question concerns only the Senator's statement regarding the chairman of the Democratic national committee.

Mr. PENROSE. I was told that he was greatly disturbed by the retroactive feature of the amendment.

Mr. THOMAS. Possibly.

Mr. PENROSE. He viewed with horror the prospect of having that 100 per cent tax imposed upon some of the very large contributors to the Democratic campaign fund.

Mr. THOMAS. I merely wanted to ascertain whether my information was correct as to the Senator's statement regarding Mr. McCormick.

Mr. PENROSE. Yes; I did not talk with the gentleman himself—I do not know him—but I was so told. In fact, I think I can say without exaggeration that I have failed to find a Republican or a Democrat who, in confidential conversation, does not brand the amendment as a joke.

Mr. THOMAS. I think a great many who opposed it did so not because they were afraid of its jocular nature, but because of the possible results of the statement upon the subject required to be made by the amendment to the Commissioner of Internal Revenue.

Mr. PENROSE. Well, that may be, Mr. President.



Important changes were made by the conferees in the provision affecting the computation of the net income. The Senate bill authorized the taxpayer to deduct a loss sustained in one year from the net income of the preceding or succeeding year, this provision applying to losses sustained in any taxable year beginning after December 31, 1916. This beneficial provision, designed to allow business concerns to do what they have been allowed to do in Great Britain for a long time—that is, average their income for three years, thus offsetting losses against gains—was restricted by the conferees to recognition of net losses sustained in any taxable year beginning after October 31, 1918, and ending prior to January 1, 1920. I sincerely regret that this very meritorious amendment put in by the Senate and which, as I say, is simply the same as the law of Great Britain, was thus curtailed. Hardly had the conference adjourned when several Senators came to see me with taxpayers who were excluded by the curtailment of this amendment and who presented cases of very great hardship; but nothing could be done. I sincerely hope that before January 1, 1920, is reached—prior to which date, in every probability, some new revenue measure will be pending—an opportunity will be afforded to strike out this restriction and to embody in revenue legislation a provision such as was contained in the bill as it passed the Senate.

The admirable provisions of the Senate bill allowing a deduction on account of falling inventories were liberalized by the conferees so that taxpayers will be permitted, under proper safeguards, to take this allowance immediately upon making their returns, without waiting for the Treasury Department to pass on the case and authorize a refund.

We all know what refunds from the Government Treasury mean, Mr. President. The waiting is long and indefinite, and often hopeless. Refunds always are long in coming, even when the taxpayer is plainly entitled to them. When the taxpayers of the country come to read the bill and notice this relief provision, and the one already referred to concerning the three-year period, and many others, I think they will be very much gratified at the care which has been taken to adjust, equalize, and ease the burden of these very high taxes.

Mr. POMERENE. Mr. President—

The PRESIDENT pro tempore. Does the Senator from Pennsylvania yield to the Senator from Ohio?

Mr. PENROSE. Yes.

Mr. POMERENE. If I may ask the Senator a question, some time ago a member of a prominent commercial firm of my State wrote me with reference to the readjustment feature which the Senator from Pennsylvania is now discussing, and he was then of the opinion that it applied to individuals and to corporations, but not to partnerships. My understanding is that these provisions will give the same relief to partnerships that they give to corporations and to individuals. Am I right?

Mr. PENROSE. Yes; that is my understanding.

One of the most important features of the bill, as it came from the House and passed through the Senate and appeared in the conference committee, was the paragraph relating to consolidated returns. The House failed to provide for the consolidated-returns proposition. The Senate amended the bill so as to permit consolidated returns on the same lines as they already are permitted by construction and methods of administration in the office of the Commissioner of Internal Revenue. Under the amendment adopted by the conferees the important Senate provision authorizing consolidated returns was both extended and restricted. Under the conference provision a subsidiary organized after August 1, 1914, and not a successor to a then existing business, will be separately assessed and taxed, and the consolidated returns can be made only by domestic corporations, whereas the original Senate provision required the consolidation of domestic and foreign returns in certain cases. On the other hand, the Senate restriction which confined the consolidated returns to corporations "engaged in the same or related business" has been stricken out and a liberal provision inserted by which a domestic corporation which owns a majority of the voting stock of a foreign corporation can credit against dividends received from such stock a fair proportion of the tax paid in foreign countries by such foreign corporation. In other words, Mr. President, as the conference committee amended the consolidated returns paragraph the mushroom corporations established for the particular purpose of getting war contracts practically are exempted from the consolidated-return privilege; but the old and well-established corporations, existing prior to 1914, stand on the basis which they now have under Treasury construction.

I shall refer to only certain features of the war-profits and excess-profits taxes as modified in the conference.

The profits taxes remain substantially as formulated in the Senate bill, the important changes all involving war contracts;

that is, Government contracts made between the beginning of the war and the armistice. The Senate reduced the House rates of the excess-profits taxes from 35, 50, and 70 per cent to 30 and 60 per cent for 1918 and 20 and 40 per cent thereafter. The conferees made a slight change in the excess-profits tax rates for 1918, retaining the 30 per cent bracket and changing the 60 per cent to 65 per cent, but continued the 80 per cent war-profits tax and the higher excess-profits tax rates on all profits derived from war contracts.

Mr. President, I regret that the conference committee felt obliged to raise the rate from 60 to 65 per cent. The further I proceed with the consideration of this measure the more I am convinced that these taxes reach the danger point with regard to the maintenance of industrial conditions in this country; but the House conferees thought the 65 per cent rate made a more uniform proposition and the Senate yielded. While there are not many corporations falling within this bracket, the increase will operate as a hardship on some.

To my mind, Mr. President, the wisdom of this discrimination against war contractors is very doubtful. Of course, there are profiteers who ought to be taxed as heavily as possible, but among the business concerns which undertook work for the Government are many that lost money, or accepted less than their ordinary profits, and displayed in every way a fine sense of patriotism. Thousands of concerns—hundreds known to me personally in Pennsylvania—went into this war work at the express request, if not command, of the Government. Ordinarily they would not have diverted their activities from their normal business, but under the circumstances they were glad patriotically to obey the request or order of the Government. I really can not imagine that the profiteers exceeded the real patriots, and to stigmatize as profiteers an entire class holding war contracts, many under compulsion and many at a loss, does not seem to me to be entirely just.

A similar change was made in the conference in connection with the war-profits credit or deduction for new corporations; that is, corporations organized after January 1, 1913. The House gave new corporations a deduction of 10 per cent of their invested capital for the taxable year. The Senate liberalized this and made the deduction of new corporations the same percentage of their invested capital for the taxable year as was earned by corporations in the same general class of trade or business during the prewar period. The conferees adopted the Senate method, but excepted newly organized subsidiaries and corporations whose principal income is derived from war contracts. Similar action was taken with respect to the so-called relief provisions, which permit the profits tax in any case of exceptional hardship to be fixed by reference to the experience of representative concerns. This amendment, to my mind, is a most admirable one. The Senate greatly increased the classes of cases entitled to this relief. The conferees amalgamated all these classes into a single, general class, but denied the relief to corporations whose principal income consists of profits derived on a cost-plus basis from war contracts. Relief also was granted to certain partnerships doing business with invested capital which reorganize as corporations prior to July 1, 1919. Such partnerships are authorized to pay income taxes, profits taxes, and capital-stock taxes for 1918 as corporations in lieu of the income taxes to which, under existing law, the members of the partnership would be liable. This extends immediate relief to a class of partnerships in which the exigencies of business require most of the profits to be reinvested and which, under existing law, have been taxed much more severely than their competitors organized in the corporate form.

This amendment, Mr. President, put into the bill at the last hour, furnishes, in my opinion, a striking illustration of the relief provisions abounding in the measure. There was a particular case, typical of many others, in which it was discovered that some seven or eight hundred thousand dollars of taxes would have had to be paid by a certain partnership in excess of that required under the corporate form, thereby involving a most rank and indefensible discrimination between one concern as a partnership and, perchance, a competitor as a corporation. This amendment was put in giving such a partnership the option of becoming incorporated and paying the profits taxes as a corporation. I only refer to this as a fine illustration, to my mind, of very many similar provisions put in the bill to correct inequalities; not put in to favor any individual, but to relieve the hardship of inequality which the legislator can not defend or explain to the injured taxpayer.

Some of the best features of the Senate bill had to be sacrificed in the inevitable compromises which accompany a mixed settlement of this kind. The Senate changed the estate tax to an inheritance tax, thus making the tax dependent upon the size of the legacy or inheritance and not upon the size of the entire



estate. This real reform has been lost, and the bill returns to the existing estate tax, with some reduction in the rates. There is a little comfort in the thought that the worse the form of the Federal tax, the sooner, in all probability, will this source of revenue be given back to the States, to which it properly belongs.

Similarly the Senate amendment repealing the zone system for second-class mail matter was lost, and the conference committee restored the provisions of existing law.

This zone paragraph was referred to yesterday afternoon and fully discussed. I was earnestly in favor of the Senate amendment; I think it should have been agreed to; but I feel certain we would have had no revenue bill if the conferees on the part of the Senate had not yielded on this point. There could be no doubt about the impression conveyed to the Senate conferees that the bill, for all practical purposes, would not be reported back to the House unless the Senate conferees yielded, and, in view of the absolute necessity of the Government to have the money, and the very numerous meritorious provisions in the bill, the Senate conferees felt they had nothing to do but yield and let the law remain as it is for the present.

At the same time the Senate amendment reducing the rate of postage on first-class mail matter to the prewar rate was accepted by the House conferees.

What I consider, Mr. President, as one of the most unfortunate occurrences in the conference committee was the inability of the Senate conferees to secure concurrence in the Senate amendment concerning the taxes on insurance companies. These taxes, as they stand in existing law and under the House provision in the pending bill, are uncertain and unscientific, and productive of litigation rather than revenue. In fact, information was conveyed to the conference committee that the great bulk of the large insurance companies, being so certain of their legal position under professional advice, felt they would all be involved in court proceedings and had refused to pay a dollar to the Treasury in the form of taxes.

The Senate offered a plan of insurance taxation that was equitable, definite, and simple. The Senate plan would have produced more revenue than the provisions of existing law, which are in substance repeated in the bill as passed by the House. However, another Congress in a future revenue bill will have to place the taxation of insurance companies upon a sound and scientific basis.

Mr. President, it seems to me that no discussion of the revenue bill at this time would be complete without some reference to the character of the expenditures. The revenue bill was framed under the noblest impulses of patriotism, while the war was at its height, and when men were willing to make every sacrifice. No one could complain that the greater part of his income was being taken by the Government when he saw the one-legged and one-armed soldiers walking the streets, or went through the hospitals and witnessed the evidences of sacrifice made by men for their country. But after the armistice many did not realize that the war was not really over, and the enthusiasm subsided considerably.

Instead of the bill carrying \$8,000,000,000, the Finance Committee of the Senate was able to reduce it to \$6,000,000,000. A large part of that reduction is more apparent than real, because it comes from the loss of taxes on intoxicating beverages, which, for so many years, together with the tax on tobacco, were the main source of internal revenue in this as in every other civilized country of the world.

Then, several hundred million dollars were given up on account of the relief provisions, which, necessarily, reduced the revenues of the Government to come from the taxpayer.

But, Mr. President, the bill was moving along, and the average sentiment was that it should pass, until men began to awake to the wasteful expenditures of Congress for every kind of chimerical, ill-considered, and ill-advised purpose. People said—and when I make this remark I have reference to the sentiments expressed in thousands of letters received by me from, and in conversation with, taxpayers—what is the use in raising revenue if it is to be poured like water out of a bucket into the gutter? What nation, however wealthy, can stand expenditures like these?

Only the other day the Senate passed a hundred-million dollar appropriation for the so-called famine sufferers in Europe. Nearly half the Republicans voted against the bill. Many who voted for it did so with the greatest reluctance. There was no information before the Senate on the subject. A vague telegram from the President was the only testimony. There was no definite information as to how the money would be spent. The allegation was made by a prominent man of Chicago, in a telegram which I had read in the Senate, that pretty nearly a third of the money already had been spent without authority of law. There was a refusal to insert in the bill a provision

that the money should be expended by a commission appointed by the President and confirmed by the Senate, and under the obligation of an oath of office. All proposed amendments were ruthlessly voted down by the majority and the money handed over to be spent by some international commission, the American representative of which is not a citizen of the United States and has no identity with this country that I can find, except that he was born here, and he may never return. He certainly is not within the jurisdiction or reach of the arm of Congress.

One prominent taxpayer wrote to me asking that I help defeat this revenue bill and to insist, if there were a large number of people anxious to squander \$100,000,000 in that imprudent way, that it might be well to float a famine loan and let those so greatly interested in the cause subscribe to it instead of spending the people's money.

Mr. President, I am not going to refer to the many foolish projects and wasteful expenditures that occurred during the war. When a house is on fire economy is not consulted. Anyhow, people became largely unsettled during the war, it seems to me, in their mental processes. If we are to survey the world at the present time between here and Paris, I am not so sure that common sense or sanity has entirely returned even to many of the Anglo-Saxon race.

I shall do no more than refer to the fanciful project of appropriating \$50,000,000 to discover minerals, to say nothing of similar propositions. Money has been poured out in a kind of debauch by those who seem to have lost all idea of what a billion dollars means. I think it was Charles M. Schwab who said in a speech at the Hog Island Shipyard, when impressing upon his auditors the vastness of a billion dollars, that it represented \$1 for every minute since the birth of Christ. One dollar for every minute since that time gives us some idea of the measure of a billion dollars. Yet we put that sum into an appropriation bill now with the same carelessness that we might have exercised in putting \$100,000 in a bill 10 years ago.

I merely wish to call the attention of the Senate to the most casual survey which I have made of propositions floating around in this Chamber and in the House of Representatives since the ending of the war, all of which have the purpose of extracting money from the Public Treasury. They are made without any authority of a budget system, apparently without any consultation with anybody else, and without any basis of investigated fact, to gratify the whim, caprice, or fad of some theorist; and yet many of them have passed this body notwithstanding the protest of a few of us. I do not doubt that nearly all of them, if time afforded, would pass both branches of Congress, because I have failed, since the declaration of war or even since the armistice, to discover any bill carrying an item of money that did not get a majority vote. They illustrate the vicious and uncontrolled tendency of minds, completely unsettled by the war, to continue the carnival of waste.

I hardly feel that I am keeping up to the high standard of expenditures when my eye catches a reference to a modest item of \$50,000 asked for by the senior Senator from Montana [Mr. MYERS] for the sinking of artesian wells, and for other purposes. The amount is modest, but just why the Government should go into the business of sinking artesian wells puzzles me. I think that, while the amount is almost beneath the dignity of a Senator to notice, I might be permitted to refer to the proposition as preeminently of the freak variety:

The Secretary of the Interior is hereby authorized to investigate the arid and semiarid conditions where they exist in the northern part of the State of Montana, in the vicinity of the Canadian border, for the purpose of discovering favorable locations for the sinking of artesian wells.

When the Secretary thinks he has discovered a favorable location, the bill says he may go ahead and sink the well, which is a good thing.

Mr. SIMMONS. Mr. President—

Mr. PENROSE. I yield.

Mr. SIMMONS. I ask the Senator if that is not confined to artesian wells on the national domain, the property of the Government?

Mr. PENROSE. It does not say so. It says "the northern part of the State of Montana," and "the northern part of the State," I suppose, means land of the State.

Mr. SIMMONS. Does not the bill itself show that it is for the purpose of sinking artesian wells on the public domain?

Mr. PENROSE. I do not think so, but even if on the public lands I do not see why the Government should go into it at this juncture.

Mr. SMOOT. I wish to remind the Senator that there is a very good precedent for the Senator from Montana asking for this money, for he will remember that it was proposed that we sink artesian wells in the Trinity River in order to make it navigable.



Mr. PENROSE. I am glad the Senator called my attention to that. I remember, when the projected improvement of Trinity River to make it navigable was under discussion in this body, that the then Senator from Montana, Mr. Carter, humorously urged the sinking of artesian wells along the river in order to fill it with water.

Mr. THOMAS. Mr. President—

Mr. PENROSE. I yield to the Senator.

Mr. THOMAS. I am in full accord with the Senator's criticism of that bill, but I wish to remind him that several similar bills have been introduced and some of them have passed, of course, as amendments to appropriation bills, at the instance of both Republican and Democratic Senators, and the money has been expended or is being expended for the purpose of the public domain. I voted against all of them, and I expect to continue to do so, which perhaps is one reason why they continue to pass.

Mr. PENROSE. I do not doubt this bill will pass. Some morning the Senator from Montana will rise when no one is in the Senate and ask unanimous consent for the consideration of the measure, and it will pass almost before the Secretary can read it.

Mr. SMOOT. There is a favorable report on it from the department.

Mr. PENROSE. There is often a favorable report from a department. They hang together for the plunder about as close as it is possible to do. This appropriation is not for public lands, as the Senator from North Carolina [Mr. SIMMONS] suggests, but for the State of Montana; and why they should bore for water there any more than in Pennsylvania is rather puzzling to me.

The department looks with favor on the bill. I want to say that the Secretary of the Interior has a great tendency to look with favor upon any appropriation, and he is quite indefinite in his estimates.

I called the attention of the Senate some time since to another bill of the Senator from Montana regarding which the Secretary of the Interior stated that one, two, or three million dollars would be very nice to help them start the project. I will come to that in a few minutes.

Then I have another choice production from that distinguished statesman, the Senator from California [Mr. PHELAN], "to stimulate the production of food upon private and public lands within reclamation projects, and for other purposes," which likewise is reported favorably from the committee. This bill provides for \$5,000,000. Five million dollars, at the request of the Senator from California, to permit the Secretary of the Interior to range over the country and stimulate the production of food, whatever that may mean. The report does not indicate just how this stimulation is to occur, but I do not doubt that the money will be expended.

The Senator from Arkansas [Mr. ROBINSON], with a very praiseworthy desire to promote the welfare of the wage earners, puts in a bill providing for a complete new official staff. We all know what that means. He starts with a director at a salary of \$5,000 a year, which, I can foresee, if the bill should ever pass, would be raised the following year; and he asks for \$750,000 to carry out his particular notions regarding the relief of wage earners.

All these bills are pending, Mr. President. They are on the calendar or likely to be reported from committees. Most of them are on the calendar, and they inevitably will pass if they are ever brought up in this body.

Then the senior Senator from Oklahoma [Mr. GORE] has a bill, which has been referred to the Committee on Agriculture and Forestry, which committee is a fertile source of favorable reports on all kinds of lavish appropriations. He asks for an appropriation to establish experiment stations in engineering and in the other branches of the mechanic arts in connection with colleges established in the several States and Territories. As to just what genius conceived the idea that we want experiment stations in engineering in connection with colleges I am not advised. I have received a good many letters protesting against this bill as an interference with the land-grant State colleges, many of which are largely endowed, and liberally helped by State legislatures; but the Senator from Oklahoma would like to begin with \$15,000 per annum for each State and Territory. I have not added that up, but I easily can see how it will expand, and will involve a very large sum in the future.

The senior Senator from Illinois [Mr. LEWIS] presents a measure creating a bureau of farm colonization, to make a national survey of all public lands suitable for farming, to develop, establish, and maintain in a practical manner rural colonies and farm homes for qualified families. As to just what that phrase "qualified families" means I am not in-

formed. This measure is based upon the argument of the war, as set forth in the preamble. The bill, Mr. President, calls for \$500,000,000 to carry out the peculiar notions of the Senator from Illinois.

Mr. SIMMONS. Which one of the Senators from Illinois?

Mr. PENROSE. There could be only one Senator from Illinois who would introduce this bill, and that is the senior Senator [Mr. LEWIS]. I did not suppose there would be any doubt as to the identity of the Senator.

Then, Mr. President, the senior Senator from Maryland [Mr. SMITH], for whom I entertain very high esteem, has a bill pending, which has been on the point of getting up several times, making an appropriation of \$20,000,000 for improved highways. That bill seems like a rather modest performance now, in view of the \$200,000,000 which was retained in the Post Office appropriation bill for that purpose the other day.

The senior Senator from Georgia [Mr. SMITH] has a bill which he was near passing one day—I am not sure whether it has not been passed. I opposed it, and I think the Senator from Oregon, the chairman of the Committee on Military Affairs [Mr. CHAMBERLAIN], opposed it very vigorously—a bill to require the Commissioner of Education to devise methods and promote plans for the elimination of adult illiteracy in the United States. This is another emanation from the Secretary of the Interior, of whose ability I have a very high opinion, but, nevertheless, these expenditures must stop some time.

I think these charges of there being so many million illiterates in the United States are absolutely without foundation, but still the assertion is made. Such an assertion can have no other foundation than that they include as illiterates infants in arms and inmates of institutions for the mentally defective. I think I know something about the condition of the great mass of the people in Pennsylvania, and in other States of the Union, and deliberately to say that there are eight or ten million illiterates in the United States is to make a statement, in my opinion, without any foundation; it is simply an argument to get an appropriation.

This bill provides for the establishment of a new department—always an alluring proposition—with \$100,000 for the first year and \$50,000 for each succeeding year. The amounts are small, but the possibilities of growth to the one-hundred-million-dollar mark are so great that I thought the measure worthy of being called to the attention of the Senate.

Now, I come to another bill introduced by the senior Senator from Montana [Mr. MYERS], which, likewise, has been recommended by the Department of the Interior. This bill provides for a survey and classification by the Secretary of the Interior of all unentered public lands of the United States and all unused, cut-over, logged, and swamp lands, and other unused lands of the United States, with a view to disposing thereof to honorably discharged soldiers and sailors and others, and for other purposes. I remember in connection with this bill, Mr. President, that the Secretary of the Interior, or somebody who happened to know about it, said if we went into this scheme in the way we ought to do, we should have four or five billion dollars to properly carry it out. Hardly had the proposition got very far and filtered through the minds of the public, when all of us were overwhelmed with protests from farmers against the measure. The State Grange of Pennsylvania only the other day officially protested, and the Senator from North Dakota [Mr. GRONNA] put communications into the Record protesting at length against the folly of this proposition; yet it comes recommended by the department, which is pretty nearly the same thing as being recommended by the administration. Originally, it carried an appropriation of \$2,000,000, but the committee made it \$1,000,000 to start with—\$1,000,000 for a visionary proposition, Mr. President, that could not be carried into effect until the returning soldier would be an old, bent man, too enfeebled by age to work on a farm—a measure protested against by every agricultural interest in the United States; yet this bill for \$1,000,000, being such a small amount of money, no doubt would pass the Senate in the confusion of the moment if it were brought up some morning with the indorsement of the Secretary of the Interior.

We are gradually getting up in this desultory survey, Mr. President, to nearly \$2,000,000,000—to \$1,000,000,000, anyway. Nearly every one of these bills is from a department, has official sanction, and is likely to pass. Certainly the task of opposing them is invidious and generally is unsuccessful.

I have before me a bill introduced by the junior Senator from Iowa [Mr. KENYON] for the commencement or prosecution of public works in order to provide increased opportunities of employment during the period of demobilization and industrial readjustment, and for other purposes. Mr. President, I do not doubt the patriotic motives of the Senator from Iowa.



in introducing this bill. I know of his earnest desire, as shown by his acts, to alleviate the condition of the laboring people in the United States; but, as I have told him personally in speaking with him about this bill, while I do not criticize the purpose of it or the patriotism which induced its introduction, I simply criticize the measure as being an independent attack on the Treasury without any concerted attempt to find out how much money is available and how it should be distributed. Each Senator comes along with his pet project, in very many cases an absurd project; but whether it is absurd, or meritorious, like this one, surely no Public Treasury can stand anyone coming along, fixing the amount he wants, without an estimate and without full knowledge of the facts, and having the money desired allotted to the scheme. This bill starts off with \$100,000,000, and there is a further attractive provision in it for \$300,000,000 more to provide for advances, making \$400,000,000 in all that, under a plausible argument, may be separated from the Public Treasury. Whether or not it is ever to be returned to the Treasury I do not know; but my experience is—and I think the experience of others will vindicate me in the assertion—that when cash is once separated from the Treasury it seldom is returned.

Regarding the lack of employment, this \$400,000,000 is for what at present, in my opinion, is a needless purpose. The matter of unemployment is greatly exaggerated. I understand the Department of Labor reports this week that some 250,000 or 300,000 men are unemployed. Why, Mr. President, that is a very small number of men unemployed in a country with nearly 11,000,000 wage earners. I have studied this question somewhat. Last summer I happened to spend the night in a little country in Pennsylvania, and, upon asking about conditions there, I discovered that some eight or nine hundred men had gone to the war and that a thousand or so more had gone to Philadelphia, New York, and elsewhere to work in munitions plants and had thus been taken away from the farms. With the curtailment of production or the shutdown of munitions plants these men will not be able to return immediately to the farms, where they belong. Many of them made such enormous wages during the war, and up until a recent period, that they do not want to work and do not have to work, but are looking around the country enjoying themselves. I do not think the returning soldier, coming back from France, wants to begin working 8 or 10 hours a day the minute he gets here. He goes home the hero of his town, is fêted by the inhabitants, and welcomed by his relatives. He is entitled to look around a little and enjoy himself before he takes up the hard tasks of life. I think the statistics of the employment agency are remarkable in showing how little lack of employment there is.

I represent in part in the Senate one of the greatest industrial States, if not the greatest, in the country—a seething mass of organized labor, toilers, and wage earners in textile mills and steel plants—and I would be the first to know of unemployment. I think I can safely make the assertion that unemployment in that great industrial area is, up to the present time, in no way reaching the danger point. This \$400,000,000 is proposed to be taken from the Treasury for the purpose of relieving a condition which is almost normal, it may be said, when the problems of readjustment are considered.

The senior Senator from Oklahoma [Mr. GORE], with his attention firmly fixed upon the \$1,250,000,000 necessary to keep up the price of wheat, permits himself to be diverted to the very great urgency of eradicating the tick which infests southern cattle. He has a report from that fertile source of appropriations, the Committee on Agriculture, recommending an appropriation of \$3,000,000 to eradicate the tick. That, of course, is a pastime while waging the great battle for the \$1,250,000,000.

Mr. THOMAS. Mr. President, I should like to ask the Senator if that is a new tick or the same old tick?

Mr. PENROSE. I am afraid it is the same old tick, which has been swarming around cattle since the earliest days of man's association with animals, and which will continue to infest cattle, as the Almighty has foreordained, long after the Senator from Oklahoma and I are forgotten. I have no evidence that in the lapse of many thousands of years cattle are not thoroughly accustomed to the tick.

Then, here is a little resolution. This, by the way, is a minor matter, but it shows the almost Shakespearean quality of the senatorial mind, which takes in every variety and aspect of the human comedy, so that nothing from the tick to an earthquake in Porto Rico escapes its notice. Notwithstanding the fact, Mr. President, that the island of Porto Rico is relieved of all war taxes in the revenue bill, and at the same time enjoys the inestimable privileges of American citizenship; and notwithstanding the fact that the inhabitants of that island practically have a great advantage over citizens of the United States residing here,

from the point of view of taxation, it is seriously proposed that we appropriate \$300,000 on account of earthquakes in Porto Rico. I halted this resolution one day on the floor of the Senate when it was brought up by the senior Senator from Delaware [Mr. SAULSBURY]. It did not seem that the Committee on Pacific Islands and Porto Rico was exactly possessed of jurisdiction to recommend the appropriation, and the matter was dropped. Whether or not the resolution subsequently was passed in my absence I have no information, and I am not concerned as to whether it has passed or not, because I know perfectly well, if still pending, that it will pass some day when I am not here.

Mr. President, I need only refer, because the event is too recent to require any extended discussion, to the extraordinary appropriation of \$200,000,000 for roads carried in the Post Office appropriation bill. The debate on this appropriation was so extensive, and the exceptional, unfair, and improvident character of the appropriation so evident to any man of the most ordinary intelligence, who was not prompted by sectional self-interest, that I do not think it necessary to detain the Senate any further about it.

I have already referred, Mr. President, to the \$100,000,000 appropriation for the alleged famine-stricken people of Europe, and I shall not expatiate on it. It is a good fund to exploit Mr. Hoover and the Wilson administration; and from that point of view doubtless will find its supporters.

I ought to state that I am gradually drawing toward the close of what I wanted to call to the attention of the Senate; but before I go any further I wish to say that up to this time I have been speaking only of some of the bills pending in the Senate. They aggregate over \$2,000,000,000. I will drop the other figures as insignificant. Bills are pending here on the calendar, most of them with the sanction of departmental recognition, liable to pass any day, calling for almost a third of the revenues contemplated to be raised under this revenue bill, not to mention the current expenses and the actual obligations of the Government.

I shall now refer to several matters of this character pending in the House. Here is a little proposition from Mr. LEVER, a bill to enable the President to carry out the price guaranties made to producers of wheat of the crops of 1918 and 1919, and to protect the United States against undue enhancement of its liabilities thereunder. I have not examined this bill very carefully. Doubtless other price-fixing bills will be reached by me; and, as it only provides—oh, Mr. President, I was mistaken. I thought this bill provided for only a million dollars. I find it provides for a billion, and therefore is entitled perhaps to a passing comment.

This, I find, upon further examination, is the great bill to provide a billion dollars—or some say a billion and a quarter; that is immaterial—to keep up the price of wheat. The Senator from Oklahoma [Mr. GORE] deliberately stated in the Senate—and I want to say that I agree with him; I think he, perhaps, knows more about the question than any other Member of this body; certainly he knows more about it than I do, but I can appreciate a good argument when I hear it—that this price fixing had been folly from the beginning, sheer waste, and had cost the farmers \$800,000,000 in actual losses; and now, pursuing this folly—and I am not prepared to say that we can get out of it—we are called upon to appropriate \$1,000,000,000, one-sixth of all the taxes to be raised from the groaning taxpayers in the United States, to make good the folly and the dilettanteism of Hoover and his administration of the food question.

Then, of course, Mr. President, we have floating around the lump sums, and I have not, as yet, been able to locate exactly the amounts left of these lump sums, or whether they can be refunded into the Treasury. The President, as I understand, has had \$150,000,000 in a lump sum, and the Secretary of the Navy, according to my recollection—I may not be entirely correct—some \$50,000,000. I really think, now that the war is over, that some auditing and accounting of these lump sums should be obtained, and the balance remaining, if any, returned to the Public Treasury; that hereafter expenditures should be made under authority of law, and not at the whim of a bureau autocrat or Cabinet officer, or even of the President. Congress, perchance, declines to authorize the purchase of a radio station or a telegraph system, and defeats the appropriation, whereupon the word goes forth that the purchase will be made out of a lump sum already appropriated. The lump sum covers everything, at home and abroad, from here to Paris.

Now, Mr. President, I want to call the attention of the Senate to about \$8,000,000,000 of appropriations that I have not as yet reached, asked for by somebody.

A Representative from Alabama in the House, Mr. BANKHEAD, comes along with a bill to promote the education of native



illiterates. I have referred already to one bill relating to illiteracy, which has the insidious purpose of starting a bureau. This measure, however, comes right out into the open and asks for \$13,000,000—I should say \$13,500,000—to educate illiterates; and I think a large part of the money would have to be expended in locating the illiterates. [Laughter.]

Here is another measure, introduced by an eminent statesman in the House, a joint resolution asking for \$100,000,000 to relieve distress among wage-workers. As the average wage-worker has been making two or three times the wages of the average clergyman, lawyer, or physician in the town—

Mr. THOMAS. Maybe that is the reason he is in distress.

Mr. PENROSE. That may be, but it seems to me that this distress, up to the present time, must be largely a matter of hallucination. The only real thing about the bill is the one hundred millions.

Then we have a measure that already has gotten as far as the conference committee on the Post Office appropriation bill, so its prospects are bright—a bill to provide two hundred millions for roads.

Then there is that ingenious project, the reclamation of swamp lands wherever they can be found. The modest sum of \$100,000,000 is proposed for this purpose by Mr. BYRNES, an associate from an adjoining State of the distinguished chairman of the Finance Committee here in the Senate—\$100,000,000 to reclaim swamp lands. This bill, I am glad to say, is in no way sectional. At first glance I thought maybe it was for the benefit primarily of South Carolina, but I did that State an injustice. I am satisfied that it really aims to reclaim swamp lands wherever found, even if they have to be advertised for. [Laughter.] This measure has the sanction of the Secretary of the Interior, and I suppose will pass some day when it comes up in the Senate under the conditions which have been prevailing.

Here is a bill which candor compels me to admit was introduced by one of my Pennsylvania colleagues in the House of Representatives, but I have the less hesitation in admitting it in view of the fact that he is a Democrat and was not reelected to the next Congress. He wants \$1,000,000 with which to distribute war trophies. Just how the million dollars is to be used in the distribution of war trophies I do not know, but I suppose some one will be found ingenious enough to invent a way to spend the money. [Laughter.]

The VICE PRESIDENT resumed the chair.

Mr. THOMAS. Mr. President, if the Senator will permit me, I might suggest that with such a sum war trophies would be made the subject of manufacture, as the demand would be very great.

Mr. PENROSE. Yes; I have no doubt of that, and perhaps a bill will come along for an appropriation to encourage the manufacture of war trophies. [Laughter.]

Here is a bill to provide for the common defense and general welfare—a most excellent beginning—but closer examination discloses the fact that it applies more particularly to Texas, Colorado, New Mexico, Kansas, Nebraska, North Dakota, and South Dakota. It urges their immediate relief from the drought. I do not know whether it is the prohibition drought, Mr. President, or the other kind. [Laughter.]

Mr. THOMAS. May I ask the amount of the appropriation?

Mr. PENROSE. Well, it is sufficient. Has the Senator any idea what would be required to cure the drought in those half dozen States?

Mr. THOMAS. It depends on what kind of a drought the Senator refers to. That is the reason why I wanted to know the amount.

Mr. PENROSE. Well, assuming any kind of a drought?

Mr. THOMAS. It would take a good-sized appropriation to destroy the prohibition drought in that section of the country.

Mr. PENROSE. The bill carries \$50,000,000.

Mr. THOMAS. I think that might do it. [Laughter.]

Mr. PENROSE. It would help. It is for the general welfare, but particularly for Texas, Colorado, New Mexico, Kansas, Nebraska, North Dakota, and South Dakota.

Mr. THOMAS. May I ask the Senator to state the author of the bill? I live out there, and I do not want to lie under suspicion?

Mr. PENROSE. It is pending before the Committee on Agriculture, a very good committee, and I expect will be favorably reported to the House in due course.

Mr. THOMAS. It is a House bill? Then I am exonerated.

Mr. PENROSE. It is a House bill—the Senator may want to follow it up. It was introduced by Mr. BLANTON. The Senator may be acquainted with him.

Mr. THOMAS. No; I am not.

Mr. PENROSE. That is unfortunate.

Mr. THOMAS. That is doubtless true.

Mr. PENROSE. Now, Mr. President, I have here another bill, which I am compelled to admit was introduced in the House by one of my colleagues from Pennsylvania. But I sustain the shock when I realize he is a Democrat. This is to provide for the emergency arising out of the demobilization of soldiers, sailors, and marines, and the discharge of workers from war industries and other occupations, and so on. It is unnecessary to read the full title, which is ample, but it is sufficient to say that \$100,000,000 is asked for by Mr. KELLY of Pennsylvania.

Then we have the bill to authorize the Post Office Department to acquire and extend the telephone system in the District of Columbia, for which \$7,000,000 is requested—an unwarranted proposition, because everyone knows that the telegraph and telephone systems have broken down lamentably under present Government control, and the railroads have suffered a scandalous demoralization. I seldom send a telegram that I do not corroborate it by writing a letter, and I am not certain that either of them will reach its destination within a reasonable time.

Now, Mr. President, here is a gem which appeals to the loftiest aspirations of patriotism. It is a bill to provide for the local commemoration, in his home county, of the supreme sacrifice made by each soldier, sailor, marine, and aviator while in the service of the United States during the present war, likewise introduced by Mr. BLANTON.

One is reluctant to criticize an appropriation coming under such a patriotic guise, and I do so with hesitation. I hope that some day every one of these brave men will have a monument; but in the stress of the moment I can not but pause and respectfully criticize when I read that \$50,000,000 is wanted for monuments to which the townsmen of these gallant boys would deem it a privilege to be able to contribute, and thus put up far better monuments than could be erected by a bureaucrat here in Washington, wastefully expending the public money.

Then, some genius, feeling that we are not doing everything we should to express our joy at the wonderful achievements of the war, suggests the propriety of appropriating \$2,000,000 for an arch of victory here in Washington; and, in order that the matter may not be delayed, he thinks \$50,000 ought to be immediately available.

Here is a bill for a monument to Theodore Roosevelt, in the form of a museum of history and art, to cost \$5,000,000. Mr. President, I say in all seriousness that I, as much as any other American, think the American people should construct a splendid monument to the memory of Col. Roosevelt; but what I criticize about the measure is that I have no information that it comes from any consultation or conference with the members of Col. Roosevelt's family, or his friends, or with any committee having memorials in charge, but simply represents the independent notion of Mr. Hicks, the gentleman introducing it, and, for aught we know, it may pass some morning without the authority or sanction of anybody.

Then we have a bill to provide further for the national security and defense by making an appropriation for the purchase of iron ore, coke, coal, limestone, and other materials essential to the manufacture of iron and steel and for constructing, equipping, maintaining, and operating blast furnaces and steel plants and mills for the Government of the United States. That bill is pending before the Military Affairs Committee of the House and calls for \$50,000,000, notwithstanding the fact that several authorizations for Government munition and other similar plants have never been carried out, and some such projects which the Government has undertaken have proved wretched and lamentable failures.

Then we have a joint resolution here which says in the preamble:

Whereas the railroads of the United States are unable to handle the food products and the coal supply of the United States.

A rather treasonable assertion, Mr. President, in view of the many statements of self-glorification and protestation issued by Mr. McAdoo and others. I am one of those who believe that the railroads have reached a deplorable, scandalous, and inexpressible condition of inefficiency, but I did not suppose anyone would be bold enough to make a statement of this character in the preamble of a joint resolution asking for \$10,000,000.

Mr. KELLOGG. Mr. President—

Mr. PENROSE. I yield.

Mr. KELLOGG. Is the Senator aware that the railroad administration is now asking for \$750,000,000 more?

Mr. PENROSE. Yes.

Mr. KELLOGG. In addition to the \$500,000,000 appropriated for a revolving fund which does not revolve?

Mr. PENROSE. I was aware of that.

Mr. KELLOGG. And it was stated here the other day by the director general that they are owing the railroads now something like \$650,000,000, and probably they would owe them



\$380,000,000 when everything is settled up to the 1st of January, 1919.

Mr. PENROSE. I say in all candor that I think the Bolshevik government in Petrograd could have run the railroads better than the representatives of the American people have run them during the period of Government control.

Mr. LEWIS. Mr. President, will the Senator from Pennsylvania allow me?

Mr. PENROSE. Yes.

Mr. LEWIS. I suggest to the able Senator that those who are at the head of the operation of the railroads throughout the United States are the same gentlemen who have been operating those railroads during all the time in the last three or four years preceding the taking of them over by the Government, with the single exception of one or two offices here in Washington, where they do not operate the roads at all.

Mr. PENROSE. The Senator ought to know that his statement is utterly devoid of foundation.

Mr. LEWIS. The Senator would know if it were true.

Mr. PENROSE. On the contrary, Government ownership, in my opinion, has been largely a process of educating Mr. McAdoo and others to be railroad men, a very expensive educational process on the part of the American people, and I do not know that any of them are railroad men yet.

Mr. LEWIS. I will state to the Senator that he must see that in the management of the transportation of freight and passengers the heads of the management at the different depots, either in Philadelphia, Chicago, or elsewhere, are the same gentlemen who before held the same offices under private railroad management.

Mr. PENROSE. The Senator is mistaken.

Mr. LEWIS. Can the Senator give me an instance to prove that I am in error to the contrary?

Mr. PENROSE. I now abhor the condition of the railroads to such an extent that I purposely stay away from them.

Mr. LEWIS. Therefore the Senator has no acquaintance with the subject as to who runs them and who conducts them.

Mr. KELLOGG. Mr. President, if the Senator from Pennsylvania will pardon me, I can give him the names of many railroad presidents who have been removed and not allowed to run the railroads and where other men have been put in their place—Mr. Fairfax Harrison, of the Southern; Mr. Samuel Rea, of the Pennsylvania; Mr. Marvin Hughitt, of the Northwestern; and many others.

Mr. LEWIS. I desire to except to the statement of the Senator from Minnesota. The Senator has made a statement, and I call the able Senator's attention that the presidents named only assumed to direct the financial policy, and many others directed the issue of watered stock and bonds. The railroads have been run by superintendents, general managers, passenger agents, traffic heads, and men who are in the yards. I ask my able friend if he does not know that that class of gentlemen are still in control of all the roads of which he has knowledge?

Mr. KELLOGG. I will state to the Senator that I know nothing of the kind. Mr. Marvin Hughitt is not a man who is issuing watered stock. He has run one of the most conservative and best roads in the country; he is one of the ablest and highest-minded railroad men in the country; and there are many others like him.

Mr. LEWIS. Mr. Marvin Hughitt is not the subject of debate. He is an acknowledged exception.

Mr. KELLOGG. The railroads have been run by regional managers and by appointees by the director general in a concentrated system in Washington. I am not complaining about the management, because probably it has been as good as you could get when you change the entire management of the system and try to concentrate it and make it over in a short time.

Mr. LEWIS. I join issue with the able Senator. Mr. Marvin Hughitt is referred to as a railroad president. The Senator might recall to his mind the St. Louis & San Francisco Railroad, the New York, New Haven & Hartford Railroad, the Chicago & Alton Railroad, and many others, and recall their presidents and their past conduct.

What I beg to impress upon the Senator from Pennsylvania and the Senator from Minnesota is that these regional directors, those who are charged with the active operation, are the gentlemen who were the officers of the roads before we took charge of them and continue in their management. Therefore the criticism of my able friend is in harmony with similar criticisms heard all over the country, and ought not to be based upon the assumption that we have changed the management of the roads.

Mr. SHAFROTH. I should like to say a word with respect to that matter.

The VICE PRESIDENT. Does the Senator from Pennsylvania yield to the Senator from Colorado?

Mr. PENROSE. Yes.

Mr. SHAFROTH. The proposition has come here for the extension of the Government control of roads for five years. The experience had in the last year is not fair to the Government. Wages in all occupations have been greatly increased. It was in war times, where there was no opportunity to get to a normal basis nor to a proper operation of the roads. I think every person in the country feels that there ought to be a test without regard to whether he believes in governmental ownership of railroads or not, and that a fair test can be had at this time better than any other time. It takes about five years for the purpose of making such a test.

I hold myself free, if the conditions were such that the operation would not be in the interest of the masses of the people, to reject the proposal, and if it were shown to be in the interest of the masses that the Government can operate them to better advantage and at cheaper rates, then it seems to me it would be wise to consider seriously the permanent control of the roads; but, Mr. President—

Mr. KELLOGG. Will the Senator yield?

Mr. SHAFROTH. Yes; I yield.

Mr. KELLOGG. How much have rates been cheapened?

Mr. SHAFROTH. I do not know that they have been cheapened any, because we have had—

Mr. KELLOGG. How much have the rates been increased?

Mr. SHAFROTH. There has not been a fair test. There is one feature in the matter by which all men in the Army can travel at 1 cent per mile, which is ridiculously low.

Mr. KELLOGG. The Senator is mistaken.

Mr. SHAFROTH. But low rates for soldiers is evidently a matter that is sanctioned by the people of the United States. There can be no denial of the fact that there are certain economies that can be made in railroad management, and they have been made. The saving in coal in transporting freight by a short line instead of a long line will be great, as well as the high salaries of officials. For instance, there is a consolidation in the city of Denver of about 10 or 12 railroad offices downtown in a high-priced rental district—

Mr. PENROSE. Mr. President, I decline to be interrupted by such a trite argument as that. It is a fleabite. In my opinion the consolidation of the ticket offices in the great cities was an absurdity.

Mr. SHAFROTH. It seems that there is a great saving in the cities by it.

Mr. PENROSE. I deny that there is a saving. The ticket offices, in many cases owned by the railroads, have been standing idle and unoccupied, and to say it is a saving is simply a resort to meretricious and misleading bookkeeping.

Mr. SHAFROTH. They have but one ticket office in Denver where they formerly had 12, and quit paying rent on 11. That necessarily meant a saving as to the ticket offices, and where there are a large number of persons engaged in soliciting freight—

Mr. PENROSE. They are several hundred millions behind, and everybody in the United States is bitterly condemning the management of the railroads by the Government.

Mr. SHAFROTH. As a matter of fact, there were thousands of men employed by the railroads for the purpose of soliciting freight over their lines, and now no expense of that kind can be made, because the Government is disinterested as to which line the freight shall go over.

Mr. PENROSE. And the railroads are losing in freight rates.

Mr. KELLOGG. If the Senator will permit me—

Mr. PENROSE. I will permit an interruption for anything except a defense of the consolidation of the ticket offices.

Mr. SHAFROTH. That is one of the economies, and there are many other economies. Whether or not governmental control of railroads can be made a success I do not know, but I think now is the time when we have the opportunity at the least expense to the Government of testing it, and if it is not a success it can be turned down.

Mr. PENROSE. Did the Senator ever before witness such a spectacle on the railroads as a dirty and ill-kept dining car with available spaces scribbled with scoffing remarks addressed to the management?

Mr. SHAFROTH. I do not know—

Mr. PENROSE. That is what I have seen.

Mr. SHAFROTH. I do not understand that there is anything of that kind.

Mr. PENROSE. The Senator has not been traveling lately.

Mr. SHAFROTH. I have traveled some in the last six months and I have found just as courteous treatment as I ever



found at any time. I have gone four times over the Pennsylvania Railroad from here to Chicago.

Mr. PENROSE. The Senator is easily satisfied.

Mr. KELLOGG. If the Senator from Pennsylvania will permit me—

Mr. PENROSE. Yes.

Mr. KELLOGG. The classified accounts of the operating expenses of the railroads this year, including general office expenses, transportation expenses, maintenance of way, and all the other classified accounts, show not one single account less than it was last year or any economy whatever.

Mr. PENROSE. Mr. President, I am not taking into account in this very desultory statement the enormous losses on account of the maladministration of the railroads. I am taking only a good-humored survey of the scattering, irresponsible proposals on both sides of the Capitol to extract money from the Treasury. If we undertook to estimate the losses by reason of this inefficient administration they would, in my opinion, approximate a startling sum of money.

When we consider the property which has been destroyed, or the values which have been greatly curtailed and reduced—I am not going to argue the effects of it—millions of dollars wiped off the books as an asset to the community or the individual by the destruction of steamboat lines and short-line railroads, the steamship lines having been withdrawn from the transportation business, or the short-line roads scrapped because the railroad management deflected the traffic, which they had been relying upon, in order to keep up the showing of the trunk lines, we see to what extent this inefficiency has gone.

Mr. LODGE. If the Senator will allow me one moment, speaking of the matter of the destruction of property, there is a line that has been rendering excellent service from Boston, Providence, Philadelphia, Baltimore, to Norfolk and on to the Southern States as far as Savannah—the Merchants & Miners' Transportation Co.—which has been in existence for 60 years and has been of very great value to all those States. The Railroad Administration took the line over. They not only took the line over, but they took over \$600,000 of cash they had in their treasury. This line was fed, of course, by arrangements made with the railroads. They stopped those, and that naturally deprived the line of business. They now have handed the ships back to the company with the business gone, and they have omitted to hand back the \$600,000 they took in cash from their treasury.

That industry has been wiped out, so far as I can make out. All the Senators from the States affected have been trying and trying in vain to prevent the destruction of a useful line which for 60 years has given all the seaboard States on the Atlantic a good water service for water competition. That is merely an illustration. I am sorry to have interrupted the Senator so far.

Mr. PENROSE. I am very glad the Senator from Massachusetts has called attention to the scandalous and harrowing case of the Merchants & Miners' Line. I should like to ask him whether any reason was presented for failing to return the cash to the treasury? It is usual to return cash, is it not?

Mr. LODGE. No explanation was given of that that I know of. The explanation for their returning the line back was that the company asked too much for leasing it. They could have leased it at any price they wanted if they had been willing to lease it. I believe their plan was to do the transportation either by rail or by using some of the ships that had been built and which they were afraid to send across the ocean to carry freight, and those ships would be run under the name of another line—the Old Dominion.

Mr. SMITH of Georgia. Will the Senator permit me on this very subject?

Mr. PENROSE. Yes.

Mr. SMITH of Georgia. I have, I believe, a little later information than the Senator from Massachusetts has. A number of us, among them the Senator and myself, addressed a communication to the counsel for the Railroad Administration, and we received an answer. Then, later on, with the president of this company, at the request of the Senator from Maryland [Mr. SMITH], who could not come, the Senator from Rhode Island [Mr. COLT], the Senator from Florida [Mr. FLETCHER], and myself were called into conference. It was impossible to get all those who had signed the letter, and we undertook to represent the balance of you as best we could.

The insistence upon suspending operations was based upon the claim of very heavy losses now in operation. A proposition is being submitted to-day by the Merchants & Miners' Transportation Co., and we have just prepared a letter urging that they do not suspend operations. I have just brought it into the Senate to request of the Senator from Florida [Mr. FLETCHER] to join the Senator from Rhode Island and myself in signing it as repre-

senting the Senators. I will read the letter, because I am sure it will meet with the Senator's approval.

Mr. LODGE. I had not heard of this last thing. I saw the letter to which the Senator referred from the counsel of the road, which gave us no satisfaction whatever, but up to the point at which I had arrived I think I stated the case correctly.

Mr. SMITH of Georgia. I am not questioning that, but I thought I would read the letter.

Mr. LODGE. Certainly; I am glad to know that we are still struggling.

Mr. SMITH of Georgia (reading)—

FEBRUARY 12, 1913.

Judge JOHN BARTON PAYNE,  
Council United States Railroad Administration,  
Washington, D. C.

DEAR SIR: We are familiar with the proposition being submitted to you by the Merchants & Miners' Transportation Co.

In connection with the proposition we desire to urge the importance of the continued operation of this system of coastwise transportation. We are impressed with the loss which would be caused our entire system of transportation if this coastwise line is discontinued, and especially with the injury to the communities served by it.

May we not suggest that, controlling all the railroads, the Government director can cause ample freight to be given to this and the other water-transportation systems. Normally it is more economical, and should be preserved in an organized state for the benefit of the public. We are referring, of course, now to the coastwise ships serving especially the Atlantic and Gulf communities. The entire cost of this transportation—the rates and the business to be done—is so within the control of the transportation administration of the Government that we earnestly hope such steps may be taken as will continue the operation of this coastwise line.

Very truly, yours,

We are just on the point of sending this additional letter to them, and we assumed in signing it we were representing all who wrote the original letter.

Mr. LODGE. Certainly. As I remember, I think Senators from six or more States signed the letter and we got a most unsatisfactory reply.

Mr. SMITH of Georgia. It is in a little more satisfactory condition now.

Mr. LODGE. I am glad it is. This letter, it seems to me, is little more than the expression of a hope. I sincerely hope it will lead to something.

Mr. SMITH of Georgia. The matter has been opened up again, and that an adjustment can be made with the company I believe is clear and is most probable; but we were expressing the opinion that if the Government adjusts these differences with the owners it ought to continue operations for the benefit of the public.

Mr. LODGE. Of course it ought.

Mr. SMITH of Georgia. That is what we sought to express in this letter.

Mr. LODGE. It is a great disadvantage to the public to have that line wiped out.

Mr. PENROSE. Mr. President, I have not the slightest confidence that a repetition of the letter, signed by a half dozen Senators from these coastwise States, will have any effect upon the situation. For the time being and under the present régime that line of transportation for freight and passengers is out of existence, deliberately destroyed by the policies of the American Government, a line which, for three generations, regardless of weather, fair or foul, has carried the seacoast commerce and passengers from Georgia to Massachusetts and from Pennsylvania to New York. It is extinguished to-day as a result of the railroad management of the Government; and, to add a rather humorous phase to it, such as we occasionally read about in some of the performances of the Bolsheviks in Petrograd, the line, after being ruined, is politely returned to the owners with an empty treasury. It has been withdrawn from the port of Philadelphia, where it was a source of great relief to commerce and also a matter of pride to the people. It would have continued another hundred years or more to prosper and grow had sound economic conditions prevailed, but the idiosyncrasy of the railroad management has destroyed it. I venture the assertion that property values, to an enormous amount, have been destroyed within the last three years, or have been greatly depreciated.

We have been moving along steadily to destroy values, as in the case of railroad securities, and to destroy property physically, as illustrated by the Merchants & Miners' Line. I begin to wonder at the robustness and strength of the American Nation, and how its commerce and industry must be built upon an imperishable foundation, that it can withstand all this bad economic, ruthless, and injudicious treatment.

But while this digression has been profitable it hardly bears upon the subject I have in mind, except to emphasize the fact that while we are engaged in propositions calculated to squander the money of the taxpayers, we are at the same time making very substantial inroads upon the taxable values and incomes



from which we must get revenue. I for one think it time to call a halt, and if these wasteful appropriations can not be stopped before the 4th of March, at least the attention of the American people can be called to them and perhaps some relief afforded in the new Congress and under another party after March 4.

Mr. President, no system of taxation could be devised by the ingenuity of man, and no country, however rich it might be, could bear the taxes that would be commensurate with these wild, extravagant, and wasteful expenditures.

Now, here is a small appropriation for an unnecessary project—the establishing of marketing departments in agricultural colleges in the several States of the Union.

I have not had an opportunity to inform myself as to just what purpose the author of the bill has in mind, but it has been referred to the Committee on Agriculture, and I assume it will be only a question of time until it comes out with a favorable report, because it involves an appropriation of \$250,000. This particular bill has been making its way obscurely through the House and Senate. Already I have received hundreds of letters from produce dealers and dairy and food people of Pennsylvania protesting against the passage of the measure. As to just what good purpose is subserved by it beyond the wanton expenditure of money I am not advised.

Here is another interesting measure referred to the Committee on Agriculture which, doubtless, will be favorably reported from that fertile source of expenditures. It provides for the purchase of seed grain and feed for live stock, to be supplied to farmers and stockmen, and to create boards in the respective States to assist in carrying out the provisions of the act. It is true, the bill provides for an appropriation of \$50,000,000, but I have no idea that amount will be an obstacle to its favorable report by the members of the Committee on Agriculture.

Then we have a bill "to establish a Government experiment integral of industries." I am at a loss to know what the title means. The phrase is new to me. I, perhaps, am unduly ignorant. I fail occasionally to keep up with the progress of the times and, particularly during this period of international consciousness, as the term goes, to keep pace with new phrases and new terminology; but I notice that the bill calls for an appropriation of another \$50,000,000. So I assume there must be some argument, plausible at least, for the enactment of the measure.

The fanciful phraseology, characteristic of this period of international consciousness, is well illustrated by section 3, which says that a commission shall be established on creative economics, an admirable phrase, Mr. President, and fraught with possibilities to the league of peace and to our future international civilization. I pause and wonder when I reflect upon the genius of the inventor of that phrase "creative economics." Still, he had a stern purpose to the ultimate goal and he provides for \$50,000,000 to carry out the objects of the commission.

They are "to plan and construct a government economic experiment integral"; and, in order that ample explanation shall be afforded of the word "integral," he says "or unit of industries"—if that makes it any clearer; it does not to me—"for the purpose of testing, independent of existing commercial interests and by scientific methods, the merits or demerits of another system of industry not adjusted to the economic principle of mutual repression and plunder"—how familiar!—"the social contract of which shall be the donation of labor power by all employees, and the donation of the products of labor power to all employees under the rule of the common good."

This man is a genius, Mr. President. The Secretary of the Interior is authorized to devote any of the lands or natural resources owned by the Government to the commission of creative economics.

But why detain the Senate longer by explaining the purpose of this commission? Its name speaks for itself, and the imagination can picture the plans.

Mr. LEWIS. Mr. President, will the able Senator allow me to merely interrupt to ask him who is the author of that measure?

Mr. PENROSE. Does the Senator from Illinois indorse that proposition?

Mr. LEWIS. I ask the Senator to let me know who is the author of that bill?

Mr. PENROSE. The bill discloses the fact that Mr. JOHNSON of South Dakota is the author of it.

Mr. LEWIS. Mr. JOHNSON of South Dakota of the Senate or Mr. JOHNSON of South Dakota of the House?

Mr. PENROSE. I am referring now to House bills, but I assume that many of them will come here to the Senate.

Mr. LEWIS. We are prohibited by certain rules of the Senate to express an opinion which we might have concerning matters in the other House. I have no doubt when they arrive here we shall then get the opinion of the Senate.

Mr. PENROSE. I have no doubt I have a right to express my opinion about legislation which is pending.

Mr. LEWIS. I beg to say that I am merely commenting upon the loss we may have to suffer from not having the opinions of some others.

Mr. PENROSE. The bill will doubtless come over here. I do not know whether the Senator from Illinois will be for it or not. He can state that better than I.

Leaving the domain of "creative economics," Mr. President, we now come, in view of recent experiences, to a choice morsel which has been referred to the Committee on Interstate and Foreign Commerce of the House of Representatives. This bill provides an appropriation of \$500,000,000 to promote the ownership of transportation systems. I suppose some of them, like the Merchants & Miners' Line, could be bought pretty cheap at this juncture; but whether or not \$500,000,000 will cover the whole situation, I am not informed.

Here is another measure, "a bill to provide transportation, storage, and marketing facilities for and to regulate commerce among the States in live stock, meats, and other products derived from live stock or the slaughtering of live stock." This commendable purpose, Mr. President, can best be realized, in the opinion of the author of the bill, by an expenditure of \$500,000,000.

Mr. THOMAS. Who is the author of that?

Mr. PENROSE. That eminent statesman, Mr. SIMS.

Then we have a bill "to create a department of education and human welfare"—definite and specific and all practical purposes clearly defined—"and to arrange for the cooperation between the Federal Government and the States in the encouragement and support of education, and for other purposes." It provides for "broadening the scope of education, of democratizing it so that it will include and promote all human activities." Whatever that phrase may cover I am at a loss to understand, but that is not material. The extraordinary feature of the bill is that there is no definite appropriation to carry out its provisions. Just what the purpose of the author was in leaving the really interesting part of the measure in an indefinite and chaotic condition I do not know.

Then we have a bill for rural sanitation. I can not lay my hand immediately on that measure, though I thought I had it. Rural sanitation is a good thing, and it looks better when an appropriation of nearly \$3,000,000 is asked for to launch the Government in this enterprise, and an annual appropriation of \$1,400,000 thereafter.

The items I have read, Mr. President, many of which are pending before committees or are sanctioned by departments, or have been reported favorably, aggregate \$2,880,480,000, or nearly \$3,000,000,000—half of the amount proposed to be raised by the pending tax measure!

There are a number of other items confronting us and to be reckoned with. I will not say that the items I am going to read are all unnecessary, but they will convey to the taxpayer some general idea of the bill he has got to foot as the result of incompetence and waste or, in some cases, as the result of the war.

Amongst what I might term inevitable objects is the construction of hospitals, which it is estimated will require \$30,000,000. Whether or not that estimate is well based, I do not know.

Then we have the interest account on the national debt of \$1,000,000,000 annually at the very least.

We have the propositions in connection with the merchant marine, which are to some extent imaginary, but they call for an expenditure of \$650,000,000.

Then we have the loss of \$800,000,000 in the operation of the railroads, a loss which I attribute to the account of blundering and inefficiency.

We have the very general estimated expense of demobilization of \$500,000,000, which, of course, is inevitable.

We have the proposition for aircraft mail service, amounting to \$50,000,000, a service that I think could very well wait until the stress of expenditure is over. Anyhow, it is a good deal of a luxury and more or less of an experiment. Yet, apparently, there is a disposition to spend money for it, at least until the 4th of March shall have arrived.

Then there are Government contracts put down at \$1,500,000,000—a wild guess as to the amount that will be required.

I have already referred to the European food bill. The war-risk insurance requires \$150,000,000; the Employment Bureau



wants \$14,000,000; and the bonus to soldiers, which we all indorse, requires \$255,000,000, making an additional amount for some necessary purposes, but some unnecessary or ill-advised, of \$5,049,000,000. This, and the miscellaneous, visionary, and needless items already mentioned, aggregate \$7,927,480,000, or nearly \$8,000,000,000, which, added to the amounts floating around here in the Senate, to which I have already referred, makes \$10,000,000,000 actually asked for by Senators and Representatives with solemn countenance and earnest demeanor, frequently supported by a department. I have yet to see one of these measures fail of passage when its consideration could be reached.

Mr. President, the air is full of suggestions for enormous expenditures. Here is \$10,000,000,000 picked up in the most casual way by looking through the calendars of the House and Senate. Every departmental report contemplates squandering money somewhere.

Mr. JONES of Washington. Mr. President—

The PRESIDING OFFICER (Mr. ASHCROFT in the chair). Does the Senator from Pennsylvania yield to the Senator from Washington?

Mr. PENROSE. Yes.

Mr. JONES of Washington. In view of the facts which the Senator has pointed out; also in view of the new propositions with reference to the Navy, which I understand involve the expenditure of almost a billion dollars; and also in view of what we are going to have to do in connection with wheat, what excuse is given for cutting down the taxes for the next year? How do those in authority now say that we are going to meet these largely increased expenditures which have been made—certainly since the bill passed the other House, and I think since the committee reported the change in the taxes for the next year?

Mr. PENROSE. Mr. President, the inquiry of the Senator from Washington is very natural. I can not answer his question. The whole situation is so chaotic and so characterized by lack of system that I, standing here on the minority side, with no responsibility for legislation, am unable to answer the Senator's question. There is no remedy, unless the majority party and those in control of the executive departments of the Government lend a helping hand to check this wasteful extravagance.

Mr. JONES of Washington. Is there any other way to meet these additional expenditures except by the sale of bonds?

Mr. PENROSE. There is no other way except by the sale of bonds; and, in my opinion, if this debauch of expenditure and carnival of waste continue, the sale of bonds up to the limit of toleration of the business world will not meet all the requirements.

Mr. JONES of Washington. So that this apparent reduction in taxation, which is proposed in this bill to take place in another year will have to be made up through the sale of interest-bearing bonds?

Mr. PENROSE. Yes; money will have to be borrowed to the limit of toleration on the part of the taxpayers; and, instead of getting the benefit of reduced expenditure by the armistice and the completion of peace, our expenditures will keep on soaring and will show little difference from the enormous amounts expended while we were in the agony of war.

I have said, Mr. President, that this is merely a casual survey of some \$10,000,000,000, not to mention the destruction of assets or the reduction in their value, thus curtailing the ability of the taxpayer to pay taxes.

Nearly \$1,500,000,000 ultimately will be lost to the Treasury by prohibition. I am not arguing the merits of that policy one way or the other. The American people have, by an overwhelming sentiment, indorsed the proposal; but the fact remains and confronts those engaged in revenue legislation that the revenues are reduced.

The relief measures to which I referred in my opening remarks, for the correction of inequalities, inequities, and hardships, sacrifice several hundred million dollars of revenue which, otherwise, might have been raised but which, under the circumstances, can not be fairly collected.

Mr. LEWIS. Will my eminent friend allow me a suggestion? May I ask the Senator if he would not make clear, in connection with his very able exposition, that the bills to which he is directing attention—most appropriate attention—are not bills which have been passed; that they are not bills for which appropriations have been made; but are mere proposals from different Members of both Houses for things which they hope, but for which at present there has not been any legislation granted at all?

Mr. SMOOT. Mr. President—

The PRESIDING OFFICER. Does the Senator from Pennsylvania yield to the Senator from Utah?

Mr. PENROSE. Yes.

Mr. SMOOT. Allow me to suggest to the Senator, however, that wiping all of those suggested bills out of consideration, there will be vast appropriation bills that we know must be passed before the close of this session, or in an extra session, that will amount to over \$10,000,000,000; but if the bills referred to become laws, instead of the taxpayers of the country having to meet \$10,000,000,000 next year, they will have to meet \$20,000,000,000. I will say frankly to the Senator from Illinois the country can not do it and will not do it; and if Congress appropriates all the money proposed to be appropriated by the various bills which have been referred to to-day by the Senator from Pennsylvania, I say that the country will rise in its might and power and drive from public life every man who approves of such propositions; and I hope they will do it if anything like that happens.

Mr. LEWIS. Mr. President, I express my thanks to the very alert Senator from Utah [Mr. Smoot] for his explanation and his statement. I have to say, since the Senator says that the amount of \$10,000,000,000 will be appropriated, that it must be assumed, in view of the intelligence of this body, coupled with its patriotism, guided by a genius such as the Senator from Utah, when such appropriations shall have been made, they will have been made for some just cause and for purposes that can be justified; otherwise, they will not be passed. It will not be assumed that the other measures, such as the Senator from Pennsylvania has humorously, but in many instances most appropriately, described as little less than ridiculous, would pass a body of this kind or pass the House. Therefore, the fears of the Senator from Utah that the appropriations will be multiplied to the extent of the sums suggested by the Senator from Pennsylvania, I think, are groundless, and we ought to make clear to the American public right now, that these expressions of the able Senator from Pennsylvania are based upon the possibility, of such bills passing, and not that he wishes to let the American public understand that these bills have passed. He did not have that in his mind nor was that his intention.

Mr. PENROSE. Mr. President, many of the measures carrying the vast sums referred to by me have passed Congress; many more are earnestly recommended by the Secretary of the Interior and other heads of departments, and many of them are on the calendars awaiting favorable action by either body. Experience is the best and only test we have in this world as to future conditions; and we all know that so far not a single bill has failed, no matter what the purpose or the amount.

Mr. LEWIS. Mr. President, I think as to those measures the passage of which is hoped—

Mr. PENROSE. Can the Senator name a single appropriation bill, or item of appropriation, which the majority has defeated in this Chamber? I challenge the Senator to do so. He can not do it.

Mr. LEWIS. I will say to the Senator that the items that are defeated by the majority party are defeated in the appropriate committees when they are wrong and should not be passed. It is only when they are right and practicable and best that the committees send them in here and the Senate passes them, because it is right to do so.

Mr. PENROSE. The only test is the longing and hunger for appropriations.

Mr. LEWIS. Ofttimes there is a hunger which should be satisfied because it is right, Mr. President, as a longing—I might say, more than a longing—a dessert; but let me say to the Senator that as to those measures to which he has referred, which their authors hope will pass, we can apply the Scriptural injunction, "Many are called, but few are chosen."

Mr. SMOOT. Mr. President, I do not wish the Senator from Illinois to get the idea that I said I had a fear that the people of this country were not going to pay the just obligations incurred by the Government in carrying on the war. I say frankly to the Senator that the greater part of the \$10,000,000,000 which the people of America must meet next year has been brought about by the war; but that does not make it any easier for the American people to raise the amount of taxes necessary, particularly so when we take into consideration the conditions existing to-day and realize the extent to which we have already strained our credit.

The Senator will readily admit, I presume, that it was much easier to raise the first \$5,000,000,000 than it was the second \$5,000,000,000 or the third \$5,000,000,000; and as \$5,000,000,000 sums are added by way of taxation it becomes harder. The Senator, of course, will admit that. All I want to do is this: I want the American people to know the obligations that they have got to meet, and I want them to prepare to meet them, because they must be met. I also want the American people to understand that the time has come when there must be a halt called on the extravagant expenditures of public money.



As the little foxes spoil the vines, so these little million-dollar appropriations, as they are now called, are going to ruin the credit of the business and of the country itself if we do not stop them.

I remember, Mr. President, the time in this Chamber when an appropriation of any sort that carried a million dollars was scanned with the greatest care and had to receive an explanation that was satisfactory to every Senator in this body before there would even be a chance of securing a vote upon it, while to-day it is not desired to secure consideration of any appropriation of less than a million dollars; in fact, about the only way to get an appropriation through Congress is to make it more than a million dollars.

I know that the Senator will not charge me with trying here to appeal to the passions or the prejudices of the people; but I am alarmed, Mr. President, over the financial condition of our country. I can not see how the obligations of the Government are going to be met unless the strictest economy is not only practiced by Congress and the executive departments of the Government, but by all the people in the land.

Mr. LEWIS. Mr. President, will the Senator give me his audience a moment while I respond to that?

Mr. SMOOT. Certainly.

Mr. LEWIS. I wish to say to the public that there is no man in this Chamber who has more sedulously given his attention patriotically to seeking to hold expenditures down to just levels than has the Senator from Utah, but what I wish to have him know is that if the bills referred to by the Senator from Pennsylvania and the amounts for which they call shall be held up before the country as appropriations that have really been made, as distinguished from mere demands, the country would be of the opinion that such vast millions have already been appropriated as would stun them, as would paralyze their initiative, and discourage every undertaking.

Now to the Senator's observation. It is true that in the past there was close economy, but gradually there grew that very thing which the Senator from Utah says exists—a general indifference. Previous administrations to the one in power, however, were those that encouraged the growth of those vast expenditures. We may say, as the scriptural warning, the fathers ate the sour grapes, the teeth of the children are set on edge; so we have come into power to find the custom, and, unhappily, instead of repealing it entirely, as the Senator says, we are repeating it.

Now, I will ask the Senator a question, in order that I may obtain the Senator's judgment. We have large expenditures to meet, and great appropriations are in view. I have a proposal to make to the American public in my position as a Senator, and not carrying any further weight than that. There are \$7,000,000,000 due to the American Nation from foreign nations. These nations, I suggest, could issue their bonds, those bonds to be turned over to the United States, and then the United States to use those bonds through the Federal Reserve System, the Federal reserve banks issuing \$7,000,000,000 of money based on those bonds, which are security for money loaned. The \$7,000,000,000 thus being secured would be money of the United States and would lessen the taxes to that amount. I ask the Senator if that is not an appropriate method of securing that fund and avoiding further taxation?

Mr. SMOOT. Mr. President, I will say to the Senator that I have in my office a bill in process of preparation—I think I will have it completed to-night, and if I do I shall introduce it to-morrow—to carry out the very suggestion the Senator has made, although not along the exact lines the Senator has suggested, providing that the obligations of foreign Governments for our loans to them be changed into a bond obligation and used by the Federal Reserve Board as a basis for the issuing of Federal reserve notes. I want the Congress to pass a law authorizing the Federal Reserve Board to issue Federal reserve notes against those obligations. If our Government, now that the war is over and it is not likely that we will be compelled to advance more money to foreign countries, will request those foreign countries to issue for the obligations which they have given to our Government in the shape of notes—because that is what they are—bonds in serial numbers of denominations of \$50, \$100, \$500, and \$1,000, I believe that such bonds can be sold in the market, and I do not believe that our Government will have to carry the present obligation, which now amounts to nearly \$8,300,000,000.

Mr. PENROSE. Mr. President, I hope I may be permitted to continue my remarks. I shall finish in a moment.

Mr. SMOOT. I will ask the Senator to excuse me. I understood the Senator had yielded to me.

Mr. PENROSE. I appreciate that, and I was perfectly willing to yield, but this controversy has taken a little longer time

than I think is fair to me. I merely wish to conclude my remarks.

Mr. SMOOT. It is not fair to the Senator to interrupt him so long, and I wish to apologize.

The PRESIDING OFFICER. The Senator from Pennsylvania refuses to yield further.

Mr. PENROSE. I do not want an apology. I know the Senator from Utah is going to take the floor in a few moments in his own right, but if he desires to go on now I will yield further.

Mr. SMOOT. I may discuss the question when I get the floor.

Mr. PENROSE. Mr. President, the Senator from Illinois is an offender himself. Here is a bill introduced by him on February 25, 1918, and referred to the Committee on Agriculture and Forestry, which committee never has failed to act favorably on an appropriation. The measure creates a bureau of farm colonization, and appropriates \$500,000,000 as a beginning. I should like to ask him whether he intends to push that measure?

Mr. LEWIS. I have an idea that if the Senator observes the heading of the bill he will see that it was tendered "by request."

Mr. PENROSE. Then the Senator is not familiar with the subject of the bill?

Mr. LEWIS. Yes; I am familiar with it; but I think the Senator will see that that particular measure was tendered "by request."

Mr. PENROSE. It is not so stated.

Mr. LEWIS. Merely that it might be sent to the committee for their examination in connection with other measures which at that time they were considering. May I call the Senator's attention to the fact that it was a proposal to advance money to immigrants coming to our country?

Mr. PENROSE. No statement appears on the bill that it was introduced by request.

Mr. LEWIS. Then that has been omitted. I do not wish to say that it does not possess virtue; but I must say to the Senator that, having introduced it "by request," I have not examined it as fully as I would have done if it had been a measure introduced on my own initiative.

Mr. PENROSE. It is usual when a bill is introduced "by request" to have that fact indicated in the heading, and it is not so noted in this case; therefore I got the impression that the Senator was carried away with the splendid and inspiring thought of spending \$500,000,000 to create a bureau of farm colonization.

Mr. LEWIS. No; the Senator from Illinois is only carried away by the powerful oration and glittering criticism of his eminent friend, who, in his satire, discloses a legitimate criticism of some of those measures.

Mr. PENROSE. It is very consoling to me, Mr. President, to realize that I can subtract \$500,000,000 from the ten billion to which I referred; because the Senator from Illinois conveys to me the thought that, in vulgar parlance, he is "side-stepping" his bill and does not intend to press it. That to me is a most hopeful sign. Whether it is due to the appalling aggregate of misguided appropriations which I have tried to bring to the attention of the Senate this morning, I do not know; but if it has sunk into the minds of Senators that the time has come to call a halt my labors to-day will not have been in vain.

Mr. LEWIS. Mr. President, I will have the Senator understand that I do not side-step anything when I confront him; I back it up.

Mr. PENROSE. The Senator is confronting his own bill now, and displays a lack of enthusiasm for it which is rather impressive.

I now refer to extra offices which have been created. I suppose they were necessary during the war, anyhow; but we have only to go through and along the sides of these great temporary buildings scattered throughout Washington, or through the departments, to see the large number of employees crowding the corridors and cumbering up the rooms, and, in many cases, actually hunting something to do. That demoralized situation has been alluded to frequently on the floor, and I do not intend to enlarge upon it now. I simply want, as a part of my remarks, to refer to the fact that in the Sixty-fifth Congress, first session, 82,719 new offices were created, requiring \$47,371,231 to pay the salaries; and in the second session 191,307 new offices were created, requiring \$110,925,428 to defray the expense, making a grand total for the present Congress of 274,026 new offices created, requiring an expenditure of \$158,296,659. I venture the assertion, and I say it deliberately, and I have been corroborated in it by conversation with members of these volunteer boards down here—dollar-a-year men, so called—that perhaps one-half of these offices were needless, and the result of inefficiency and improvidence.

The air is full of propositions for expenditures, most disheartening. Here we pick up the morning paper and observe



that the Secretary of War is going to send a commission over to France to take care of the liquidation of—  
the \$30,000,000,000 war from which we are slowly emerging. \* \* \*  
The adjustment of all claims, both for and against us, which doubtless will aggregate many millions of dollars, will be considered immediately and will not be permitted to drag along for years or perhaps generations.

That opens up a prospect of expenditure.

Then I note that the Department of Commerce is talking about spending some \$200,000 in connection with trade with Spain, Italy, and the Balkans; that it is to be energetically pushed to promote the work of obtaining new fields in which to sell American goods. Is that comparatively large expenditure, Mr. President, authorized by Congress? Has it been sanctioned by a favorable report from a committee, after a full hearing on the subject? No.

We read further in the article that the expenditure is to be taken care of out of the special fund of President Wilson. Did Congress vote this special fund to promote trade in Bulgaria or was it appropriated for the purposes of the war? The Senator from Utah [Mr. Smoot] has returned to his seat. I should like to inquire of him, Is there no way of saving us from the waste of this enormous special fund? Can it not be gotten back into the Treasury, so that presidential expenditures hereafter may proceed in an orderly way, under authority of law?

Mr. SMOOT. Mr. President, I will say to the Senator that that question came up before the Appropriations Committee; and the sentiment of the committee was that, as long as the fund was appropriated to the President with no limitation whatever on it, to be spent in any way that he wished, they felt that it would be a very inopportune time to repeal that law. The only way in which it can be done is by act of Congress repealing the appropriation that was made for any purpose that he may see fit to use it for.

I will say to the Senator that the Commerce Department is not the only department of our Government that has received funds from that sum. I called attention here the other day to five or six allotments that were made out of that fund, where the heads of bureaus and divisions came here and asked for these appropriations and Congress refused to grant the appropriations, and they immediately went to the President and the President gave them whatever they asked for out of the fund that was given to him. This is only one case. I will say that I asked for a statement to be made of the amounts that had been given to the departments, naming the departments and the amounts that had been given to each of them; but up to the present time I have received no answer to the request, and I do not expect to receive any.

Mr. PENROSE. I should like to inquire of the Senator whether he, or the Committee on Appropriations, of which he is the leading minority member, has any information as to how much of this fund is left, or how it is being spent, or how it is intended to be spent?

Mr. SMOOT. No, Mr. President; I do not think any member of the committee knows the balance that is in that fund. I certainly do not.

Mr. PENROSE. Has the Senator any idea of how much is left?

Mr. SMOOT. I heard that about four or five months ago there was some forty-odd million dollars in the fund; but I can not say how much of that has been expended since then, nor can I say that that report was correct, because I have never seen an itemized account of the expenditure of the fund.

Mr. PENROSE. Has the Senator any information as to whether itemized accounts are kept of these expenditures?

Mr. SMOOT. They must be kept somewhere, but the law did not require that they should be made public.

Mr. PENROSE. Could not a committee of Congress have access to them?

Mr. SMOOT. Not under the law. That would be entirely with the President. He may give it if he desires, and, if not, he is not compelled to do so.

Mr. PENROSE. Then I think the sooner Congress passes a law rendering the secret archives of this enormous fund available to the committees of Congress and to the American people the better it will be for this Government and for this administration. I do not intend to sit idly by and permit \$150,000,000 of the people's money to be expended between here and Paris, and for every kind of unauthorized project such as promoting trade in Bulgaria, to which I have just referred, or to make good amounts which Congress deliberately has refused to appropriate, without at some time or other having information as to how every penny has been spent; and I do not entirely agree with the Senator from Utah. I know he is in the minority on the committee, but I do not see why this enormous fund, without restriction or restraint, should any longer be placed at the disposal of the President. He simply is a branch of the American Gov-

ernment, the head of the executive part of our Government. The war, for all practical purposes, is over, and how any legitimate purpose can be subserved or conserved by an ability to squander or spend \$40,000,000 or \$50,000,000 is beyond my comprehension, and, I think, will be utterly beyond the comprehension of the average American citizen when he wakes up and rubs his eyes and realizes what is going on.

Mr. President, I have spoken at greater length than I had intended. There is no use in my criticizing, at this time, expenditures made under the stress and inspiration of the war, many of which were needless and improvident; but I intend on some other day, as opportunity offers and I find time to investigate the different phases of the subject, to show the American people, on the floor of the Senate, the character of the ill-advised economic methods under which the war was fought, and the wastefulness and extravagance of many of the appropriations.

I only want to refer now to the bill to stimulate agriculture, carrying \$11,000,000, largely devoted to the suppression of coyotes and squirrels. When the war was at our door and the most heroic efforts were required to float the liberty loans, the Senate found time, in the midst of the stress and strain and agony of the war, to devote a whole day to the extermination of coyotes and squirrels, at an expense of some \$11,000,000, under the guidance of the majority party.

The enormous appropriation of \$162,500,000 to the food and fuel production and distribution is water over the dam. I shall not refer to it further except as a wasteful appropriation, largely for bad economic methods, which the historian of the future will employ to exhibit a high standard of folly on the part of civilized people.

There is no use in my referring to the \$150,000,000 given to the President for which no accounting has been made, because that already has been commented upon.

The enormous sum spent by the Shipping Board, \$1,806,000,000, is largely waste. The policy of the Government should have been to require the building of these ships in existing yards and to have held contractors rigidly responsible for results instead of constructing enormous plants, like the Hog Island Shipyard, under a wasteful cost-plus contract, and demoralizing the labor market by hiring clerks and mechanics at soaring and fanciful wages in competition with normally paid labor engaged in similar occupations right along the Delaware River. The whole proposition was ill-advised and unjustifiable from an economic and business point of view, and entailed, in my opinion, the wasteful expenditure of a large part of that nearly \$2,000,000 appropriation.

I do not know how much has been appropriated for housing, due to alleged war needs. I notice one item of \$100,000,000. It is a proposition that never had any merit, except in connection with certain restricted localities, and yet we have squandered several hundred millions of dollars in this connection unnecessarily, and wastefully, and the houses in most cases are now a dead loss to the Government. Clerks, perchance, could not be crowded for a few months, even if soldiers were content to sleep in the trenches and dugouts in France.

In closing, I only want to say that I intend to vote for this revenue bill. The sentiment in favor of its passage is, in my opinion, 60 or 70 per cent less than it was two months ago. That is due largely to the fact that the people have become alarmed, not to say disgusted, at the wasteful way in which Congress has been spending money, and have thrown up their hands and said, "If this kind of thing is going on, why should we make further sacrifices out of current revenue for taxes or in the way of subscriptions to liberty loans?" The future seems hopeless, and I firmly believe that to-day a majority of the taxpayers in every State in the Union—North, South, East, and West—would be delighted to see this bill fail. I believe they feel that no revenues can be raised under any bill which will meet the situation I have so casually sketched out. I am convinced, however, from my intimate knowledge of the bill, after nearly six months of very faithful and painstaking work, not missing, I think, more than one or two meetings of the committee during that long period, that the Government needs the money. The bill is defensible as a war measure, and it has so many very wise provisions in it for the relief of the taxpayer and for the correction of inequalities and hardships that I feel I am performing my patriotic duty in voting for it. I also feel I should perform another patriotic duty, and that is to do everything I can in behalf of economy and retrenchment; but I am rather hopeless of meeting with much success in these latter activities until after the 4th of March.

Mr. THOMAS. Mr. President, I want to express my sincere gratification over the change that has come over my friend from Pennsylvania [Mr. Penrose], who, like all past offenders, has been converted, and converted to the principle of economy.



in public expenditures. I sincerely hope that with his valuable assistance we shall be able to effect many reductions in public expenditures which up to now have been impossible. I know that the Senator, when he advocates a policy, will devote himself to it with all his strength and all his mind and all his heart.

The Senator has deprecated, and very justly, the making of a number of appropriations which, to say the least of it, might have been postponed; but I want to warn the Senator that his present resolution will go barren of accomplishment unless he stays in Washington and gives his time and attention as zealously to the cause of economy as he has given it to the affairs of the Finance Committee. If he does that, he will have to change his past course and answer the roll call more frequently.

I have observed during a somewhat short experience in this Chamber that the Senator from Pennsylvania is always in close attendance when anything of an important nature is pending before the Finance Committee, but that his duties elsewhere—I presume his duties—are so onerous as to make his absence felt, and I am afraid felt more keenly hereafter than heretofore if it continues.

This Congress, Mr. President, met on the 7th day of December. If my recollection serves me right, the revenue bill became active about the 19th day of June. Between the 7th day of January and the 19th day of June last the Senator answered 20 roll calls and was absent from 102. I think if the Senator had been here during that period, and had lifted his voice against some of these appropriations, they might have been modified, if, indeed, they could not have been defeated. Since that time the Senator's attendance has been very regular, and he has devoted himself ably and capably to a consideration of all the features of the revenue bill.

I think the Senator—because he knows the fact—would have been a little more fair in discussing the matter of extravagance had he in some way apprised the Senate of the fact that the introduction of bills carrying appropriations is not a partisan practice. It is either bipartisan or it is nonpartisan. Perhaps it is both. A favorite amusement of Congressmen and Senators on both sides of the political house is the introduction of bills, of which up to this time more than 30,000 have been introduced and printed, and of which no doubt the great majority carry some sort of an appropriation. Indeed, I am aware of the fact that the Senator himself has frequently introduced, and will continue frequently to introduce, bills, especially for the increase of pensions; and, as the Senator from Utah has reminded us that it is the little foxes that spoil the vines, it is these little bills that in their aggregate go largely toward the depletion of the funds in the Treasury.

The Senator, of course, also knows that the great majority of the bills introduced for appropriations never leave committees. If they did, and were considered favorably, the result would be that more money would be appropriated every year, or as much, as the aggregate wealth of the United States amounts to. I am satisfied that if the Senator will take all of the bills introduced by everybody since the commencement of this Congress, he will discover that the total sum they propose to appropriate very largely exceeds the cost of the war.

Merely as a matter of diversion, in no sense by way of criticism, but merely as showing how universal is this practice of introducing bills for appropriations, of which even Pharisees like myself sometimes are guilty, let me call attention to five bills introduced since the 28th day of January by my distinguished friend the Senator from Utah [Mr. SMOOT], all for public buildings in his State, and aggregating \$215,000. The Senator has done what all of us do; and I think these bills for public buildings could be duplicated on the part of a great many others, perhaps a majority of the Members of both Houses, if I only had the time to gather them together and present them in the shape of an indictment against the predominant party or against the minority party.

Mr. SMOOT. Mr. President—

The PRESIDING OFFICER (Mr. SMITH of South Carolina in the chair). Does the Senator from Colorado yield to the Senator from Utah?

Mr. THOMAS. I certainly do.

Mr. SMOOT. I wish to call the Senator's attention to the five bills which I introduced, with regard to public buildings in the State of Utah. If he will notice, they merely carry increases from a certain amount up to a certain amount, and the increases from the appropriations already made and authorized would not amount to what the Senator has stated. I wish to add that every increased amount that I asked for in those five bills was requested by the Treasury Department, and a statement was attached to the request that the reason for it was that they

could not proceed with the construction of the building because of the increased cost of building material and the increased cost of labor; and in order to begin the work they have to have this increased appropriation.

I simply wanted to say that in fairness to myself.

Mr. THOMAS. Mr. President, I am not criticizing the Senator. I am simply referring to the fact that, while we are pretty black over here, we have not a monopoly of the appropriation appetite which has caused the gorge of the Senator from Pennsylvania to rise in disgust.

Mr. SMOOT. That is true.

Mr. THOMAS. The Senator from Pennsylvania, when he had the floor, asked the Senator from Illinois [Mr. LEWIS] in a very defiant way to name a single large appropriation asked for which the majority had defeated. I think it is fair to ask the same question of the minority. What single large appropriation asked for has the minority defeated? I know of a great many that a solid minority vote would have defeated.

Mr. PENROSE. Mr. President—

Mr. THOMAS. I yield.

Mr. PENROSE. How can a minority defeat any appropriation?

Mr. THOMAS. By staying in their seats.

Mr. PENROSE. Does that defeat the appropriation?

Mr. THOMAS. It would tend very largely to defeat the appropriation.

Mr. PENROSE. I voted against a large number of them, including the famine fund.

Mr. THOMAS. The Senator did, and I give him credit for that. Not only that, but it confirms me in my belief that if the Senator will diligently attend hereafter he will be able to help a few of us who are not only in a painful minority, but painfully unpopular, in the effort to accomplish the same result.

I have here an amendment, offered by my distinguished friend from New York [Mr. CALDER], intended to be proposed to the bill making appropriations for the service of the Post Office Department, which proposes to appropriate the sum of \$6,000,000 for the purpose of building a very desirable improvement in the shape of a subway under the Hudson River. It is a good object, and comes from my very good friend, one of the representatives in this body of the great State of New York.

Mr. CALDER. Mr. President—

The PRESIDING OFFICER. Does the Senator from Colorado yield to the Senator from New York?

Mr. THOMAS. I do.

Mr. CALDER. The Senator commends that proposition; does he not?

Mr. THOMAS. Why, I think it is an excellent project, as are also many of the projects which have been introduced on both sides.

Mr. CALDER. It is an excellent project.

Mr. THOMAS. I do not condemn them all by wholesale. I think if we are going to spend public money for anything, that is one of the best possible things—I mean, for anything that may be said to be within the purview of a generous spirit on the part of the Government.

Mr. CALDER. I am glad to hear the Senator say so.

Mr. THOMAS. Then I have here an amendment, intended to be proposed by the Senator from Washington [Mr. JONES], calling for \$145,000 for the Cape Spencer, Alaska, Light Station; and for repairs and improvement of light stations in Alaska, \$70,000 more. I have here another one from the Senator from Washington, introduced on the 31st of January, which provides that the Secretary of the Interior, through the Reclamation Service, shall investigate and report to Congress upon the feasibility and advisability of the construction of reclamation works for the irrigation of what is called "The Horse Heaven" section in the State of Washington, in Benton and Klickitat Counties—that is a very difficult word to pronounce properly—and which calls for a small appropriation for the purpose of carrying out the provisions of the bill. I also have one here from the Senator from Minnesota [Mr. NELSON], calling for an appropriation of \$1,500,000 for the erection of a public building at Duluth, the State of Minnesota.

These, Mr. President, are just a grab by the way, so to speak. If I had spent two or three weeks upon the subject, as the Senator from Pennsylvania has done, I have no doubt I could duplicate in bills introduced by my friends, the members of the Republican Party, every bill that he has mentioned and criticized as emanating from the majority.

Mr. JONES of Washington. Mr. President—

Mr. THOMAS. I yield to the Senator from Washington with pleasure.

Mr. JONES of Washington. I wish to call the Senator's attention to one amendment which I introduced, and which I



intend to press as vigorously as I possibly can, proposing to appropriate \$50,000,000 for carrying on reclamation projects in the West.

Mr. THOMAS. There we see the honest confession of an honest man. The Senator from Pennsylvania should also have been just enough to have stated what I think he must know, that the \$50,000,000 appropriation, designed for the purpose of securing needed valuable and unusual minerals during the war, will not be expended at all except in so far as the amount which may be necessary to reimburse those who, upon the strength of it, have incurred expenditures and obligations which the Government is at least morally bound to recognize.

Mr. President, on this matter of extravagance, there is no reason why the pot should call the kettle black. Democrats have been extravagant. Republicans have been extravagant. In voting these appropriation bills I have not observed any party spirit whatever. A few have been disposed, at times at least, to register their votes in the negative, but I do not know of any appropriation which has been intended for general expenditure that has not received generous and hearty support on both sides of the Chamber.

Now, just a word and I will yield the floor. We have been informed, and I have made the prediction myself several times—the nonoccurrence of things predicted emphasizes the fact that I am not a prophet nor the son of a prophet—that the people would soon rise and smite us in their wrath. I wish they would. But the trouble is that the people's appetite for Uncle Sam's money is as universal as is our habit of giving it to them. They demand more than we do give them. I do not know of a crossroads in the United States that is not clamoring for money for a public building. I do not know of a State in the Union that was not hungry for the \$200,000,000 we appropriated the other day. I do not know of a State in the Union having a stream too wide for a man to run and jump over that does not want an appropriation from the public money to be expended in order to make that stream navigable.

The difficulty is with the people in the final analysis of this subject. When they really do demand economy and demand it in such way as to impress their Representatives and Senators, they will get it. They will never get it until they do, and not then unless a budget system is adopted whereby the estimates and the appropriations may go together, when Members of the Senate and House shall be deprived of their present privilege of offering bills carrying appropriations of large sums.

Mr. SMOOT obtained the floor.

#### AMENDMENT OF THE RULES.

Mr. JONES of Washington. Out of order, I ask permission to give notice of an amendment I intend to propose to the rules. The PRESIDING OFFICER (Mr. McKellar in the chair). Without objection, the Secretary will read the notice.

The Secretary read as follows:

Notice is hereby given that after one day from the presentation of this notice I shall introduce the following amendment to Rule XXV, relating to the standing committees of the Senate:

*Resolved*, That Rule XXV of the Standing Rules of the Senate be, and the same is hereby, amended by adding thereto the following: "Provided, That with the beginning of the Sixty-sixth Congress no standing committee of the Senate shall consist of more than 17 members."

Mr. JONES of Washington. I understand the Senator from Utah [Mr. Smoot] is going to proceed to discuss the conference report. I think we should have a larger attendance, and I suggest the absence of a quorum.

Mr. KING. Before the Senator does that, let me ask him if he intends to press the motion of which he has just given notice?

Mr. JONES of Washington. Yes; I am going to do so the next day. I have to give one day's notice, and then it will go to the Committee on Rules.

Mr. KING. Does the Senator expect to ask this action during the life of the present Congress?

Mr. JONES of Washington. Yes.

Mr. KING. I think, in view of the fact that the Senator's party expects to have control of the Senate at the next session, he had better pretermitt consideration now and postpone consideration until that time.

Mr. JONES of Washington. I will say to the Senator I violate no confidence when I state that the Republican conference expressed a preference for it, and I understand it will receive favorable action by the Committee on Rules in a day or two.

#### HOUSE BILL REFERRED.

H. R. 15339. An act making appropriations for the naval service for the fiscal year ending June 30, 1920, and for other purposes, was read twice by its title and referred to the Committee on Naval Affairs.

#### CALLING OF THE ROLL.

Mr. JONES of Washington. I suggest the absence of a quorum.

The PRESIDING OFFICER. The Secretary will call the roll. The Secretary called the roll, and the following Senators answered to their names:

Bankhead	Johnson, Cal.	Moses	Smith, Ariz.
Beckham	Johnson, S. Dak.	Myers	Smith, Ga.
Borah	Jones, N. Mex.	New	Smith, Mich.
Calder	Jones, Wash.	Nugent	Smith, S. C.
Chamberlain	Kellogg	Page	Smoot
Colt	Kenyon	Penrose	Spencer
Cummins	King	Pittman	Sutherland
Curtis	Kirby	Pomerene	Swanson
Fernald	La Follette	Ransdell	Thomas
Fletcher	Lenroot	Saulsbury	Trammell
Frelinghuysen	Lodge	Shaforth	Warren
Gay	McCumber	Sheppard	Weeks
Gore	McKellar	Sherman	
Henderson	Martin, Va.	Simmons	

The PRESIDING OFFICER. I desire to announce that the senior Senator from Tennessee [Mr. SHIELDS] is absent on account of illness.

Mr. KIRBY. I wish to announce that the senior Senator from Arkansas [Mr. ROBINSON], the Senator from Minnesota [Mr. NELSON], and the Senator from North Carolina [Mr. OVERMAN] are detained on official business. I desire also to announce that the Senator from Alabama [Mr. UNDERWOOD] is necessarily absent.

The PRESIDING OFFICER. Fifty-four Senators have answered to their names. There is a quorum present.

#### SECOND DEFICIENCY APPROPRIATIONS—CONFERENCE REPORT.

Mr. MARTIN of Virginia. Mr. President, the Senator in charge of the revenue bill has kindly agreed to yield to me for a few moments to enable me to present the conference report on the second deficiency appropriation bill.

The PRESIDING OFFICER. The Senator from Utah has the floor. Does the Senator from Utah yield to the Senator from Virginia?

Mr. SMOOT. I yield.

Mr. MARTIN of Virginia. I am sure it will take only a moment. I submit the following report.

The conference report was read, as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 15140) "making appropriations to supply deficiencies in appropriations for the fiscal year ending June 30, 1919, and prior fiscal years, and for other purposes," having met, after full and free conference have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 2 and 4.

That the House recede from its disagreement to the amendments of the Senate numbered 3, 5, 6, and 7, and agree to the same.

That the House recede from its disagreement to the amendment of the Senate numbered 1, and agree to the same with an amendment as follows: Restore the matter stricken out by said amendment, amended as follows: On page 3 of the bill, in line 4, strike out "\$12,000" and insert in lieu thereof "\$6,000"; and the Senate agree to the same.

THOMAS S. MARTIN,  
O. W. UNDERWOOD,  
F. E. WARREN,

*Managers on the part of the Senate.*

SWAGAR SHERLEY,  
JOHN J. EAGAN,  
J. G. CANNON,

*Managers on the part of the House.*

The PRESIDING OFFICER. The question is on agreeing to the report.

Mr. SMOOT. I wish to ask the Senator what are amendments numbered 2 and 4? I have not the bill before me.

Mr. MARTIN of Virginia. The House made an appropriation of \$9,000 of the appropriation of \$25,000 for carrying on in the District of Columbia the work of the commission in France, as provided in the deficiency appropriation act of July 8, 1918. The Senate cut down the appropriation to \$5,000, but we yielded to the House conferees. They insisted that it does not increase the appropriation and simply authorizes the expenditure of \$9,000 in the District of Columbia instead of in France.

Mr. SMOOT. In other words, we give the full \$9,000 instead of \$5,000.

Mr. MARTIN of Virginia. That is right. The Senate conferees yielded.



Mr. SMOOT. What is amendment numbered 4?

Mr. MARTIN of Virginia. Amendment numbered 4 struck out the appropriation of \$23,000 made by the House for the purchase of boxes, book rests, chairs, and so forth, in the Treasury Department. The Senate struck that out.

Mr. SMOOT. And the Senate conferees yielded?

Mr. MARTIN of Virginia. The Senate conferees yielded.

Mr. SMOOT. Was there any additional reason given to the conferees why that should be done?

Mr. MARTIN of Virginia. They have only \$160 available for this purpose. The Secretary of the Treasury stated that that was absolutely inadequate, and would leave him very much embarrassed.

Mr. SMOOT. The Senator is convinced that the appropriation ought to remain.

Mr. MARTIN of Virginia. Yes; I am convinced of it.

Mr. SMOOT. I have no objection to the report.

The report was agreed to.

#### BIRTHDAY OF ABRAHAM LINCOLN.

Mr. JOHNSON of California. Mr. President, on this particular day, fraught with such memories to the American people, it seems to me that something has been forgotten. I recognize that in these modern times pure Americanism may not be wholly so popular as once it was, but lest we forget, Mr. President, I want to read a very brief address delivered November 19, 1863:

"Fourscore and seven years ago our fathers brought forth on this continent a new Nation, conceived in liberty and dedicated to the proposition that all men are created equal.

"Now we are engaged in a great civil war, testing whether that Nation, or any nation so conceived and so dedicated, can long endure. We are met on a great battle field of that war. We have come to dedicate a portion of that field as a final resting place for those who here gave their lives that that Nation might live. It is altogether fitting and proper that we should do this.

"But, in a larger sense, we can not dedicate, we can not consecrate, we can not hallow this ground. The brave men, living and dead, who struggled here have consecrated it far above our poor power to add or detract. The world will little note nor long remember what we say here, but it can never forget what they did here. It is for us, the living, rather to be dedicated here to the unfinished work which they who fought here have thus far so nobly advanced. It is rather for us to be here dedicated to the great task remaining before us—that from these honored dead we take increased devotion to that cause for which they gave the last full measure of devotion; that we here highly resolve that these dead shall not have died in vain; that this Nation, under God, shall have a new birth of freedom; and that government of the people, by the people, for the people shall not perish from the earth."

Mr. President, as a mark of respect to the memory of the American, Abraham Lincoln, I move that the Senate adjourn.

Mr. LEWIS. May I ask the Senator from California to withhold the motion that I may address the Senate for a moment on the subject?

Mr. JOHNSON of California. I yield to the Senator from Illinois.

Mr. LEWIS. Mr. President, it was my intention to address the Senate for a moment upon this sacred theme, but since the able Senator from California has appropriately tendered the immortal address of Lincoln at Gettysburg, I ask the Senate to indulge me for but a moment while I tender a tribute of a word, which I will do tersely, taking no more time than the conditions of legislation will justify.

Mr. President, if the angels bore messages to the sanctified spirits in heaven, the sacred couriers would bear to Abraham Lincoln the tidings that on this birthday the world paid the tribute of thanks to God that Lincoln lived and taught. The celestial realms this hour ring with psalms that the gospel of Christ for the saving the souls of men for God; and the gospel of Lincoln for the saving the lives of men for liberty of life, at last fulfill the Scripture. These are "gospel to all men" and are "preached throughout the world." This day the ambassadors of peace to man and regeneration of worlds who sit in Paris are met in the name of Lincoln. In the name of his prayer they petition the Father of Justice to administer to men the liberty taught by Lincoln. Wherever men gather to preach to the text of freedom they speak in the name of Lincoln. Wherever nations are assembled to enforce right among men and justice to civilization they dedicate their petition in the spirit of Lincoln.

Mr. President, for 50 years the great revolutions and reforms have marched under the banner of Lincoln's declarations against wrongs. Every bugle blast calling the children of men to arise

and strike for freedom from corruption from within and oppression from without, trumpets in Lincoln's name. From the United States the example that lifted men to action and inspired nations to immortal deeds were born of the urge of Lincoln on the spirit of life. The emancipation of the blacks by Lincoln to equality of liberty, the call of Roosevelt for integrity of character in public office, and the cry of Wilson for the end of tyranny through all the earth is but the prayer of Lincoln voiced by the patriots of the American Republic. All now march as the conquering crusader over the world gathering converts of kings and slaves until all the world rejoices in the saving grace that God has given mankind through the works of Lincoln, Roosevelt, and Wilson. All speak the creed of Christ, do the will of God in the regeneration of man to liberty and brotherhood through the undying deeds of the imperishable Lincoln.

As one of the Senators, a representative of Illinois, Mr. President, I delight to be privileged to pay this tribute to the distinguished patriot of my State—this immortal statesman of my country.

Mr. JOHNSON of California rose.

Mr. SMOOT. Just a moment, if the Senator from California will yield. It will be impossible for me to speak on this day after listening to the reading of the Senator from California [Mr. JOHNSON] of the most wonderful speech that was ever delivered by mortal man and by the greatest American, living or dead. Therefore I am perfectly willing to forego at this time what I had to say.

Mr. JOHNSON of California. Mr. President, I renew my motion that the Senate do now adjourn out of respect to the memory of the great American, Abraham Lincoln.

The motion was agreed to; and (at 3 o'clock p. m.) the Senate adjourned until to-morrow, Thursday, February 13, 1919, at 12 o'clock meridian.

#### HOUSE OF REPRESENTATIVES.

WEDNESDAY, February 12, 1919.

The House met at 11 o'clock a. m.

The Chaplain, Rev. Henry N. Couden, D. D., offered the following prayer:

Our Father in heaven, ever working in and through Thy children for the betterment of mankind. Many are called but few are chosen, since few are willing to meet the crucial test, the heroic, the sublime sacrifice. To be great is to be humble. To follow the path of duty is to be brave, noble.

We lift up our hearts to Thee, on this natal day, for the life, character, and public service of Abraham Lincoln—the greatest miracle of modern times.

Born in poverty, reared in penury, with little opportunity for even a primary education, yet by dint of his own efforts he became the greatest among the great. The truths he uttered, the message he brought in his faultless rhetoric and logic live and will live through all time.

He belongs to the ages. May we cherish his memory, emulate his virtues, tell his story round the fireside, in our schools, churches, and in all public places to coming generations; to the honor and glory of Thy holy name. Amen.

The Journal of the proceedings of yesterday was read and approved.

#### LINCOLN'S GETTYSBURG ADDRESS.

The SPEAKER. Under the order of the House, the gentleman from Missouri [Mr. RUBEY] is recognized to read Lincoln's Gettysburg address. [Applause.]

Mr. RUBEY (reading)—

"Fourscore and seven years ago our fathers brought forth on this continent a new Nation, conceived in liberty and dedicated to the proposition that all men are created equal.

"Now we are engaged in a great civil war, testing whether that Nation, or any nation so conceived and so dedicated, can long endure. We are met on a great battle field of that war. We have come to dedicate a portion of that field as a final resting place for those who here gave their lives that that Nation might live. It is altogether fitting and proper that we should do this.

"But, in a larger sense, we can not dedicate, we can not consecrate, we can not hallow this ground. The brave men, living and dead, who struggled here have consecrated it far above our poor power to add or detract. The world will little note nor long remember what we say here, but it can never forget what they did here. It is for us, the living, rather to be dedicated here to the unfinished work which they who fought here have thus far so nobly advanced. It is rather for us to be here dedicated to the great task remaining before us—that from these